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SENATE

STATE OF MINNESOTA

SEVENTY-SEVENTH LEGISLATURE

1992

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Introduction

The 1992 Session of the Seventy-Seventh Legislature continued with the same Senate leadership as the 1991 Session.

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

Senator Duane D. Benson, (IR), Lanesboro, continued as Minority Leader.

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

Senator Donald A. Storm, (IR), District 42, resigned his Senate seat on December 6, 1991. A special election was held January 4, 1992, and Roy Terwilliger, (IR), Edina, was elected to fill out the remainder of Senator Storm's term.

Senator Jim Gustafson, (IR), District 8, resigned his Senate seat June 2, 1992, this vacancy to be filled by the general election in 1992.

Eleven Senators announced that they would not seek reelection in 1992. They were: John Bernhagen, (IR), Hutchinson; Nancy Brataas, (IR), Rochester; Gregory L. Dahl, (DFL), Ham Lake; Gary M. DeCramer, (DFL), Ghent; Ronald R. Dicklich, (DFL), Hibbing; David J. Frederickson, (DFL), Murdock; Chuck Halberg, (IR), Burnsville; Jerome M. Hughes, (DFL), Maplewood; Fritz Knaak, (IR), White Bear Lake; Earl W. Renneke, (IR), Le Sueur; and Gene Waldorf, (DFL), St. Paul.

The political makeup of the 1992 Senate, Seventy-Seventh Legislature, was 46 DFL-ers and 21 Independent Republicans.

Members of the Senate

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

*DFL—Democratic-Farmer-Labor

**IR—Independent Republican

Senate Leaders

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

Officers of the Senate

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

Desk Assistants to the Secretary of the Senate:

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

FIFTY-NINTH DAY

St. Paul, Minnesota, Monday, January 6, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Arlen Hermodson.

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, 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
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	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.

MEMBERS EXCUSED

Mrs. Benson, J.E. was excused from the Session of today.

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

Various reports were filed during the 1991 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by the Legislative Audit Commission on various state institutions and boards; Department of Human Services, Information Systems, Annual Report, 1991; Metropolitan Council, Program Evaluation Report, 1990; Board on Judicial Standards, Annual Report, 1990; Department of Finance, Financial and Compliance Report on Federally Assisted

Programs, 1990; Regional Transit Board, Alternative Fuels Report, 1991; Department of Public Safety, Motor Vehicle Crash Facts, 1990; Department of Trade and Economic Development, Science and Technology, Annual Report, 1991; Department of Revenue, Tax Research Division, Small Business Study, 1991; Department of Health, Minnesota Tobacco-Use Prevention Initiative, January, 1989 - December, 1990; Department of Agriculture, Soil-Buffering Demonstration Project and Study, By-Product Lime Materials, 1991; Department of Natural Resources, Minnesota Forest Resources Plan, 1991-1995; Southwest Regional Development Commission, Overall Work Program for fiscal year 1992; Department of Human Services, General Assistance Medical Care, Annual Report, July 1, 1989 - June 30, 1990; Department of Human Services, Minnesota Medical Assistance (Title XIX), Annual Report, July 1, 1989 - June 30, 1990; Minnesota Office of the State Auditor, Lobbying Expenses of the Counties, Cities, School Districts and Metropolitan Agencies in Minnesota, 1990; Department of Human Services, Aid to Families with Dependent Children, Annual Report, 1990; Office of Administrative Hearings, Report on Attorney Fees and Expenses, 1991; Office of the State Auditor, Pine Point Experimental School, Ponsford, MN - year ended June 30, 1990; Department of Labor and Industry, Prevailing Wage Certification, 1991; Department of Administration, Risk Management Division, Annual Report, 1991; Board of Animal Health, Annual Report, July 1, 1990 - June 30, 1991; Minnesota Supplemental Aid Program, Annual Report, 1989; Ethical Practices Board, Annual Report, July 1, 1990 - June 30, 1991; University of Minnesota, Annual Report, 1991; Minnesota State University System, Quality Incentives Report, 1991; Minnesota State University System, Capital Budget Studies, Academic Library of the Future, 1991; Minnesota Zoo, Annual Report, 1991; Upper Minnesota Valley Regional Development Commission, 1991; Minnesota Sentencing Guidelines Commission, Mandatory Minimum Law for Weapons Offenses, 1991; Minnesota Public Utilities Commission, Elimination of Four-Party Service in the State, 1992; Metropolitan Agencies, Personnel, Ethical Practices and Communication Activities, 1992; Department of Jobs and Training, Community Services Block Grant, Discretionary Funds, 1992; Department of Jobs and Training, Minnesota Head Start, 1992; Department of Human Services, Literacy Programs, 1992; St. Anthony Falls Heritage Board, Biennial Report, 1990; Harmful Substance Compensation Board, Annual Report, 1991.

MOTIONS AND RESOLUTIONS

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

Senate Resolution No. 79: A Senate resolution relating to postage.

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

For the 1992 session of the 77th Legislature, the Secretary of the Senate may purchase postage to furnish each member of the Senate 5,500 stamps. Each member named as chair of a standing committee in the Senate resolution designating committee assignments may be furnished with an additional 1,000 stamps for the necessary business of the committee.

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

An additional postage allowance of 1,000 stamps is authorized for the Senate Majority Leader and the Senate Minority Leader.

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Johnston voted in the negative.

The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

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

Senate Resolution No. 80: A Senate resolution relating to expenses of interns.

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

For the 1992 session of the 77th Legislature, each member of the Senate may be reimbursed for the cost of meals and transportation furnished by the member to any volunteer interns assisting with the member's work, up to a maximum of \$35 during each week the Legislature is in session.

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

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

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Metzen	Reichgott
Beckman	Dicklich	Johnston	Moe, R.D.	Renneke
Belanger	Finn	Kelly	Mondale	Riveness
Benson, D.D.	Flynn	Knaak	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	Traub
Chmielewski	Halberg	Luther	Pariseau	Vickerman
Cohen	Hottinger	Marty	Piper	Waldorf
Dahl	Hughes	McGowan	Pogemiller	
Davis	Johnson, D.E.	Mehrkens	Price	
Day	Johnson, D.J.	Merriam	Ranum	

Mr. Berg voted in the negative.

The motion prevailed. So the resolution was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

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

Senate Resolution No. 81: A Senate resolution providing for Senate committee assignments.

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

That Senate Resolution No. 3, relating to standing committees of the Senate for the 77th session, Senate Permanent Journal pages 10-14, be amended as follows:

Economic Development and Housing - ~~42~~ //

Delete: Storm

Energy and Public Utilities - ~~42~~ //

Delete: Reichgott and Storm

Add: Johnson, J.B.

Finance - 30

Delete: Storm

Add: Knaak

Health and Human Services - ~~47~~ // 16

Delete: Storm

Redistricting - 10

Delete: Storm

Add: Laidig

Rules and Administration - 29

Delete: Storm

Add: Mehrkens

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Pogemiller introduced—

S.F. No. 1596: A bill for an act relating to technical and other corrections to the legislative redistricting plan; amending Laws 1991, chapter 246.

Referred to the Committee on Redistricting.

Mr. Pogemiller introduced—

S.F. No. 1597: A bill for an act relating to elections; changing the boundaries of congressional districts; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

Referred to the Committee on Redistricting.

Mr. Marty introduced—

S.F. No. 1598: A bill for an act relating to elections; repealing the law requiring Minnesota to hold a presidential primary; repealing Minnesota Statutes 1990, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; and 207A.09.

Referred to the Committee on Elections and Ethics.

Mr. Renneke introduced—

S.F. No. 1599: A bill for an act relating to taxation; exempting occasional sales of tangible personal property primarily used in a trade or business; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1600: A bill for an act relating to elections; changing the year for implementing the presidential primary; amending Minnesota Statutes 1990, section 207A.01.

Referred to the Committee on Elections and Ethics.

Mr. Berg and Mrs. Adkins introduced—

S.F. No. 1601: A bill for an act relating to crimes; authorizing imposition of the death penalty for first degree murder following conviction for a heinous crime; providing a statutory framework, including procedures and criteria, consistent with due process for determining when the imposition of the death penalty is appropriate; providing for automatic appellate review of death penalty cases; providing for appointment of attorneys in death penalty cases; providing an administrative framework for implementing the death penalty; amending Minnesota Statutes 1990, sections 243.05, subdivision 1; 609.10; 609.12, subdivision 1; 609.135, subdivision 1; 609.185; Minnesota Statutes 1991 Supplement, section 611.25, by adding a subdivision;

proposing coding for new law as Minnesota Statutes, chapter 609A.

Referred to the Committee on Judiciary.

Messrs. Day; Benson, D.D.; Neuville; Frederickson, D.R. and Mrs. Pariseau introduced—

S.F. No. 1602: A bill for an act relating to taxation; exempting occasional sales of tangible personal property primarily used in a trade or business; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Mondale; Pogemiller; Morse; Frederickson, D.J. and McGowan introduced—

S.F. No. 1603: 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 Governmental Operations.

Mrs. Adkins introduced—

S.F. No. 1604: A bill for an act relating to local government; city of Otsego; providing an excess levy penalty abatement.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Berg and Spear introduced—

S.F. No. 1605: A bill for an act relating to horse racing; prohibiting pari-mutuel licensees from accepting wagers made by telephone or made on credit; amending Minnesota Statutes 1991 Supplement, section 240.13, subdivision 8.

Referred to the Committee on Gaming Regulation.

Mr. Larson introduced—

S.F. No. 1606: A bill for an act relating to elections; repealing the law requiring Minnesota to hold a presidential primary; repealing Minnesota Statutes 1990, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; and 207A.09.

Referred to the Committee on Elections and Ethics.

Mr. Mondale introduced—

S.F. No. 1607: A bill for an act relating to family law; limiting consideration of a physical or mental disability in custody determinations; amending Minnesota Statutes 1990, sections 257.025; and 518.17, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Mondale introduced—

S.F. No. 1608: A bill for an act relating to occupational health and safety; requiring a study of video display terminal operators health risks; appropriating money.

Referred to the Committee on Employment.

Messrs. Berg, Frank and Merriam introduced—

S.F. No. 1609: A bill for an act relating to metropolitan affairs; prohibiting certain metropolitan airports commission bond proceeds from being used to pay down leveraged buy-out debt; amending Minnesota Statutes 1991 Supplement, section 473.667, subdivision 11.

Referred to the Committee on Metropolitan Affairs.

Messrs. Merriam, Luther, Berg and Frank introduced—

S.F. No. 1610: A bill for an act relating to metropolitan government; setting limits on the authority of the metropolitan airports commission to incur debt; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan Affairs.

Mr. Gustafson introduced—

S.F. No. 1611: A bill for an act relating to taxation; exempting certain ships from the sales and use tax; amending Minnesota Statutes 1990, section 297A.25, subdivision 45.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson, Ms. Berglin and Mr. Moe, R.D. introduced—

S.F. No. 1612: A bill for an act relating to human services; temporarily removing the time limit on work readiness assistance.

Referred to the Committee on Health and Human Services.

Mr. Samuelson introduced—

S.F. No. 1613: A bill for an act relating to human services; providing special medical assistance payment increases for small, rural hospitals; amending Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 1614: A bill for an act relating to human rights; exempting certain organizations from provisions of the human rights law; amending Minnesota Statutes 1990, section 363.02, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 1615: A bill for an act relating to game and fish; reducing deer license fees for residents under age 18; amending Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.E. introduced—

S.F. No. 1616: A bill for an act relating to education; deleting a condition to the sale and issuance of certain bonds; amending Minnesota Statutes 1991 Supplement, section 124.479.

Referred to the Committee on Education.

Ms. Olson introduced—

S.F. No. 1617: A bill for an act relating to education; providing parents and guardians a greater role in curriculum decisions affecting their children; amending Minnesota Statutes 1990, section 126.666, subdivisions 1 and 4.

Referred to the Committee on Education.

Ms. Olson introduced—

S.F. No. 1618: A bill for an act relating to the environment; hazardous waste; exempting certain resins from regulation as hazardous waste; requiring the commissioner of the pollution control agency to adopt rule amendments.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty, Spear and Ms. Traub introduced—

S.F. No. 1619: A bill for an act relating to crimes; including certain assaults as disqualification for certain permits; amending Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

Referred to the Committee on Judiciary.

Messrs. Sams, Finn and Langseth introduced—

S.F. No. 1620: A bill for an act relating to elections; repealing the law requiring Minnesota to hold a presidential primary; repealing Minnesota Statutes 1990, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; and 207A.09.

Referred to the Committee on Elections and Ethics.

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

S.F. No. 1621: A bill for an act relating to education; University of Minnesota; appropriating money for the institute of technology and system specials.

Referred to the Committee on Finance.

Mr. Pogemiller introduced—

S.F. No. 1622: A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

Referred to the Committee on Redistricting.

Messrs. Luther and McGowan introduced—

S.F. No. 1623: A bill for an act relating to alcoholic beverages; authorizing the issuance of an on-sale intoxicating liquor license.

Referred to the Committee on Commerce.

Messrs. Frank and Kroening introduced—

S.F. No. 1624: A bill for an act relating to human services; work readiness; extending eligibility duration; amending Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1 and 1a; and 256D.052, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich, Chmielewski, Cohen and Johnson, D.J. introduced—

S.F. No. 1625: A bill for an act relating to elections; providing for the reimbursement of expenses for the 1992 presidential primary election; suspending the application of party choice provisions until a condition is met; requiring county auditors, the commissioner of revenue, and the secretary of state to perform certain duties; appropriating money.

Referred to the Committee on Elections and Ethics.

Mr. Vickerman introduced—

S.F. No. 1626: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Morse introduced—

S.F. No. 1627: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, January 7, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTIETH DAY

St. Paul, Minnesota, Tuesday, January 7, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Richard Keene Smith.

The 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	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 President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Gustafson was excused from the Session of today at 2:40 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

October 28, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER OF HUMAN RIGHTS

David L. Beaulieu, Ph.D., 111 East Kellogg Boulevard, St. Paul, Ramsey County, has been appointed by me, effective October 28, 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 inform you that Robert Vanasek has resigned as Speaker of the House of Representatives and that Dee Long has been elected Speaker of the House of Representatives for the 1992 Session.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 6, 1992.

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. 1596: A bill for an act relating to technical and other corrections to the legislative redistricting plan; amending Laws 1991, chapter 246.

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

Page 7, line 25, after "Rice Lake Road" insert "*and Arrowhead Road*"

Page 14, lines 11 and 12, strike "2nd Street Southeast" and insert "*County Road 47*"

Page 20, line 6, after the second comma, insert "*the city of North Mankato,*"

Page 22, line 32, strike "and"

Page 22, line 33, before the period, insert "*, and that portion of Washington County consisting of the city of Hastings*"

Page 26, line 22, strike "494" and insert "94" and strike "southerly" and insert "*southeasterly*" and strike "494" and insert "94" and strike "85th"

Page 26, line 23, strike the first "Avenue North" and insert "*Weaver Lake Road*" and strike "85th Avenue North" and insert "*Weaver Lake Road*" and before "Fish" insert "*the creek north of Fish Lake, southerly along the creek to*"

Page 26, line 24, strike "western" and insert "*eastern*" and strike

“Fernbrook”

Page 26, line 25, strike the first “Lane” and insert “*the boat launch at Fish Lake Regional Park*” and after “southerly” insert “*from the boat launch*” and after “along” insert “*the hiking trail west of*”

Page 26, lines 26 and 27, strike “Zinnia” and insert “*Maplewood Drive*”

Page 26, line 27, after the second “North” insert “*and its extension*”

Page 28, line 4, strike “southeasterly” and insert “*easterly*” and after “to” insert “*James Avenue, southeasterly along James Avenue to*”

Page 28, line 13, after the second “77” insert “*and County Road 38*”

Page 28, line 14, strike from the first “Johnny” through page 28, line 18, to “and” and insert “*Diamond Path, and southeasterly along*”

Page 32, line 25, before the comma, insert “*and that portion of the city of Shakopee lying within a line described as follows: commencing at the intersection of County Road 18 and the eastern boundary of the city of Shakopee, southwesterly along County Road 18 to State Highway 101, and southeasterly along State Highway 101 to the eastern boundary of the city of Shakopee*”

Page 35, line 11, strike “northern shore” and insert “*channel between West Arm and Crystal Bay*”

Page 35, lines 11 and 12, strike “along Crystal Bay, Smith Bay, and Browns Bay”

Page 35, line 24, strike “First Avenue” and insert “*Eureka Road*” in both places

Page 36, line 14, delete the new language

Page 39, line 5, after “June Avenue” insert “*and Brookdale Drive*”

Page 39, line 22, strike “southerly” and insert “*northerly*”

Page 39, line 23, strike “89th Avenue, easterly along 89th Avenue”

Page 39, line 24, strike “and its extension to” and insert “*State Highway 118, southeasterly along State Highway 118 to an extension of*” and after “along” insert “*the extension and*”

Page 39, line 30, before the first “Mississippi” insert “*Mississippi Way, easterly along Mississippi Way to*”

Page 40, line 13, strike “United States” and insert “*U.S.*” in both places

Page 41, line 8, delete “*northerly*” and insert “*northeasterly*”

Page 41, line 12, before “that” insert “*the city of Anoka and*”

Page 41, line 22, delete “to” and strike “an extension of” and delete “*Lilly*” and strike “Street”

Page 41, line 23, delete “*Northwest*” and strike “, northerly along the extension of” and delete “*Lilly*”

Page 41, line 24, strike “Street” and delete “*Northwest*”

Page 41, line 28, strike “North”

Page 41, line 29, strike the first “Dale” and insert “*Northdale*” and delete “*Northwest*” and strike “North Dale” and insert “*Northdale*”

Page 41, line 30, delete "Northwest"

Page 43, line 17, strike "Central Avenue Northeast"

Page 43, line 21, before the period, insert "State Highway 65"

Page 43, line 36, before "northerly" insert "northeasterly and"

Page 45, line 34, after "of" insert "89th Avenue Northeast, easterly along 89th Avenue Northeast to Naples Street Northeast, northerly along Naples Street Northeast to"

Page 46, line 16, delete "east" and strike "of Hodgson Road and that portion lying"

Page 46, line 18, after "of" insert "State Highway 96 and" and strike "and" and insert ", southeasterly along Hodgson Road to"

Page 46, line 22, strike "and" and after "northerly" insert "and westerly"

Page 46, line 23, strike everything before "the"

Page 49, line 17, delete from "and" through page 49, line 24, to "Mahtomedi" and insert ", White Bear Lake, and Willernie, and that portion of the city of Mahtomedi lying south and west of a line described as follows: commencing at the intersection of the western boundary of the city of Mahtomedi and Birchwood Road, easterly along Birchwood Road to Wildwood Road, northeasterly along Wildwood Road to Stillwater Road, easterly along Stillwater Road to the western boundary of the city of Willernie, northerly, easterly, and southerly along the boundary of the city of Willernie to Stillwater Road, easterly along Stillwater Road to Hilton Trail, and southerly along Hilton Trail to the southern boundary of the city of Mahtomedi"

Page 50, line 1, before "51" insert "29,"

Page 50, line 36, delete "694" and insert "494"

Page 51, line 1, delete "694" and insert "494"

Page 51, line 5, after the stricken "to" insert "Interlachen Parkway, southerly along Interlachen Parkway to"

Page 57, line 11, after "Street" insert "and its extension"

Page 57, line 26, after the second "Street" insert "and its extension"

Page 58, line 11, after "Avenue" insert "to Victoria Street, southerly along Victoria Street to Portland Avenue, easterly along Portland Avenue"

Page 59, line 16, after "Avenue" insert "to Victoria Street, northerly along Victoria Street to Portland Avenue, westerly along Portland Avenue"

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

Mr. Moe, R.D. from the Committee on Redistricting, to which was referred

S.F. No. 1597: A bill for an act relating to elections; changing the boundaries of congressional districts; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, delete lines 12 and 13

Renumber the clauses in sequence

Page 4, line 11, before "the" insert "*the city of Chanhassen,*"

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

Mr. Moe, R.D. from the Committee on Redistricting, to which was referred

S.F. No. 1622: A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board redistricting.

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

Page 2, line 6, delete "A" and insert "*The ideal*" and delete "quota"

Page 2, line 9, after "the" insert "*ideal*"

Page 2, line 10, delete "quota"

Page 2, after line 21, insert:

"(4) The districts must not dilute the voting strength of racial or language minority populations. Where a concentration of a racial or language minority makes it possible, the districts must increase the probability that members of the minority will be elected.

(5) The districts should attempt to preserve communities of interest where that can be done in compliance with the preceding standards."

Page 2, line 22, delete "(4)" and insert "(6)"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1596, 1597 and 1622 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Kelly moved that the name of Ms. Johnston be added as a co-author to S.F. No. 1582. The motion prevailed.

Mr. Marty moved that the names of Mrs. Adkins and Messrs. Morse; Johnson, D.E. and Stumpf be added as co-authors to S.F. No. 1598. The motion prevailed.

Mr. Renneke moved that the names of Messrs. Sams and Davis be added as co-authors to S.F. No. 1599. The motion prevailed.

Mr. Berg moved that the name of Mr. Marty be added as a co-author to S.F. No. 1605. The motion prevailed.

Mr. Larson moved that the names of Ms. Johnston and Mr. Mehrkens be added as co-authors to S.F. No. 1606. The motion prevailed.

Mr. Berg moved that the name of Mr. Benson, D.D. be added as a co-author to S.F. No. 1609. The motion prevailed.

Mr. Merriam moved that the name of Mr. Davis be added as a co-author to S.F. No. 1610. The motion prevailed.

Mr. Gustafson moved that the names of Messrs. Solon and Chmielewski be added as co-authors to S.F. No. 1611. The motion prevailed.

Mr. Samuelson moved that the names of Messrs. Sams and Finn be added as co-authors to S.F. No. 1612. The motion prevailed.

Mr. Samuelson moved that the names of Messrs. Sams, Vickerman and Bertram be added as co-authors to S.F. No. 1613. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Moe, R.D.; Bernhagen; Mondale and Sams be added as co-authors to S.F. No. 1615. The motion prevailed.

Mr. Johnson, D.E. moved that the name of Mr. Finn be added as a co-author to S.F. No. 1616. The motion prevailed.

Mr. Sams moved that the names of Mr. Vickerman and Ms. Johnson, J.B. be added as co-authors to S.F. No. 1620. The motion prevailed.

Mr. Stumpf moved that the names of Mrs. Brataas and Mr. Pogemiller be added as co-authors to S.F. No. 1621. The motion prevailed.

Mr. Cohen moved that S.F. No. 545 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

Mr. Spear moved that S.F. No. 1261 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Halberg introduced—

Senate Resolution No. 82: A Senate resolution congratulating the Burnsville High School Football Team for winning the 1991 Prep Bowl X Class AA State High School Football championship.

Referred to the Committee on Rules and Administration.

Mr. Halberg introduced—

Senate Resolution No. 83: A Senate resolution commending Russ Ewen for being named the Minnesota Physical Education Teacher of the Year for 1991.

Referred to the Committee on Rules and Administration.

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. 1597 and that the rules of the Senate be so far suspended as to give S.F. No. 1597, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1597: A bill for an act relating to elections; changing the boundaries of congressional districts; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.741;

2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

Mr. Laidig moved to amend S.F. No. 1597 as follows:

Delete everything after the enacting clause and insert:

“Section 1. [2.742] [FIRST DISTRICT.]

The first congressional district consists of:

(1) all of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Waseca, and Winona Counties;

(2) that portion of Blue Earth County consisting of Danville Township, Decoria Township, the city of Eagle Lake, Jamestown Township, Le Ray Township, Lime Township, McPherson Township, the city of Madison Lake, the city of Mankato, Medo Township, the city of Pemberton, the city of St. Clair, all of Mankato Township except the noncontiguous census tract block lying immediately to the north of the city of Skyline, and that portion of South Bend Township consisting of the census tract block that is immediately north and west of the Chicago, Milwaukee, St. Paul, and Pacific railroad tracks and immediately south of the Blue Earth River;

(3) that portion of Carver County consisting of Hancock Township, San Francisco Township, and that portion of Dahlgren Township lying south and east of a line described as follows: commencing at the intersection of the southern boundary of Dahlgren Township and County Road 43, northerly along County Road 43 to 154th Street, easterly along 154th Street to County Road 40, northeasterly along County Road 40 to Halsey Avenue, southerly along Halsey Avenue to the eastern boundary of Dahlgren Township;

(4) that portion of Dakota County not included in the third congressional district;

(5) that portion of Faribault County consisting of the city of Bricelyn, Brush Creek Township, Clark Township, Dunbar Township, Foster Township, the city of Kiester, Kiester Township, the city of Minnesota Lake, Minnesota Lake Township, Seely Township, Walnut Lake Township, the city of Walters, and the city of Wells;

(6) that portion of Le Sueur County consisting of the city of Cleveland, Cleveland Township, Cordova Township, Derrynane Township, the city of Elysian, Elysian Township, the city of Heidelberg, the city of Kilkenny, Kilkenny Township, Lanesburgh Township, the city of Le Center, Lexington Township, the city of Montgomery, Montgomery Township, the city of New Prague, Tyrone Township, Washington Township, the city of Waterville, Waterville Township, and all of Sharon Township except for the census tract block that lies between Township Road 144 and County Road 115 and to the west of Township Road 44;

(7) that portion of Scott County consisting of the city of Belle Plaine, Belle Plaine Township, Blakeley Township, Cedar Lake Township, the city of Elko, Helena Township, the city of Jordan, the city of New Market, New Market Township, the city of New Prague, St. Lawrence Township, Sand Creek Township, Spring Lake Township, and all of Credit River Township except that portion lying within a line described as follows: commencing at the intersection of the eastern boundary of Credit River Township and Lower 167th Street, southwestwardly along Lower 167th Street to 170th Street, easterly along 170th Street to the eastern boundary of Credit River Township, and northerly along the eastern boundary of Credit River Township to the point

of origin; and

(8) that portion of Sibley County consisting of Faxon Township.

Sec. 2. [2.752] [SECOND DISTRICT.]

The second congressional district consists of:

(1) all of Big Stone, Brown, Chippewa, Cottonwood, Jackson, Kandiyohi, Lac qui Parle, Lincoln, Lyon, McLeod, Martin, Meeker, Murray, Nicollet, Nobles, Pipestone, Redwood, Renville, Rock, Sibley, Swift, Watonwan, and Yellow Medicine Counties;

(2) that portion of Blue Earth County not included in the first congressional district;

(3) that portion of Carver County consisting of Camden Township, the city of Hamburg, Hollywood Township, the city of Mayer, the city of New Germany, the city of Norwood, the city of Young America, Young America Township, and that portion of Waconia Township that is noncontiguous with the majority of Waconia Township and that lies immediately south of the city of Mayer;

(4) that portion of Faribault County not included in the first congressional district;

(5) that portion of Le Sueur County not included in the first congressional district;

(6) that portion of Pope County consisting of Bangor Township, Barsness Township, Blue Mounds Township, the city of Brooten, Chippewa Falls Township, Gilchrist Township, Hoff Township, Lake Johanna Township, Langhei Township, Rolling Forks Township, the city of Sedan, and Walden Township;

(7) that portion of Sherburne County consisting of the city of Clear Lake, Clear Lake Township, Haven Township, Palmer Township, and the city of St. Cloud;

(8) 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 Eden Valley, the city of Elrosa, Fair Haven Township, Farming Township, the city of Kimball Prairie, Lake George Township, the city of Lake Henry, Lake Henry Township, Luxemburg Township, Lynden Township, Maine Prairie Township, Munson Township, North Fork Township, the city of Paynesville, Paynesville Township, the city of Pleasant Lake, the city of Richmond, the city of Rockville, Rockville Township, the city of Roscoe, St. Augusta Township, the city of St. Martin, St. Martin Township, the city of Spring Hill, Spring Hill Township, the city of Waite Park, Wakefield Township, Zion Township, all of the city of St. Cloud except that portion lying north or west of the west bank of the Sauk River, and all of St. Cloud Township except that portion lying north of County Highway 75 and west of the city of Waite Park, and those portions of the city of St. Joseph and St. Joseph Township lying south of a line described as follows: commencing at the intersection of the northern boundary of St. Joseph Township and Interstate Highway 94, southerly along Interstate Highway 94 to West Minnesota Street, northeasterly along West Minnesota Street to the abandoned alley just east of 4th Avenue Northwest, northerly along that alley to the second alley, easterly along the second alley to the first alley, southerly along the first alley to West Minnesota Street, northeasterly along West Minnesota Street to 1st Avenue Northwest,

northerly along 1st Avenue Northwest to Ash Street West, easterly along Ash Street West to First Avenue Northeast, southerly along First Avenue Northeast to East Minnesota Street, easterly along East Minnesota Street to 2nd Avenue Southeast, southerly along 2nd Avenue Southeast to Able Street East, easterly along Able Street East to 3rd Avenue Southeast, northerly along 3rd Avenue Southeast to East Minnesota Street, easterly along East Minnesota Street and County Road 134 to County Highway 75, easterly along County Highway 75 to U.S. Highway 52, easterly along U.S. Highway 52 to the eastern boundary of St. Joseph Township;

(9) that portion of Stevens County consisting of the city of Alberta, Baker Township, the city of Chokio, Darnen Township, the city of Hancock, Hodges Township, Horton Township, Moore Township, Scott Township, Stevens Township, and Synnes Township; and

(10) that portion of Wright County not included in the fifth or eighth congressional district.

Sec. 3. [2.762] [THIRD DISTRICT.]

The third congressional district consists of:

(1) that portion of Carver County not included in the first, second, or fifth congressional district;

(2) that portion of Dakota County consisting of the city of Apple Valley, the city of Burnsville, the city of Coates, the city of Egan, the city of Hastings, the city of Inver Grove Heights, the city of Lakeville, the city of Lilydale, the city of Mendota, the city of Mendota Heights, Nininger Township, the city of Rosemount, the city of South St. Paul, the city of Sunfish Lake, the city of West St. Paul, and that portion of Marshan Township that is surrounded by the city of Hastings;

(3) that portion of Hennepin County consisting of the city of Bloomington, the city of Chanhassen, the city of Eden Prairie, the unorganized territory of Fort Snelling, the city of Richfield, and that portion of the city of Edina lying south of a line described as follows: commencing at the intersection of the western boundary of the city of Edina and County Road 62, easterly along County Road 62 to Hanson Road, southerly along Hanson Road to Whiting Avenue, easterly along Whiting Avenue to Halborn Avenue, southerly along Halborn Avenue to West 64th Street, easterly along West 64th Street to Josephine Avenue, southerly along Josephine Avenue to West 65th Street, westerly along West 65th Street to Wilryan Avenue, southerly along Wilryan Avenue to West 66th Street, easterly along West 66th Street to Normandale Boulevard, northerly along Normandale Boulevard to West 65th Street, easterly along West 65th Street to Ryan Avenue, northerly along Ryan Avenue to West 64th Street, easterly along West 64th Street to Parnell Avenue, southerly along Parnell Avenue to West 65th Street, easterly along West 65th Street to West Shore Drive, northerly along West Shore Drive to West 64th Street, easterly along West 64th Street to Valley View Road, northerly along Valley View Road to West 65th Street, easterly along West 65th Street to Barrie Road, northerly along Barrie Road to Heritage Drive, easterly along Heritage Drive to York Avenue, southerly along York Avenue to West 64th Street, easterly along West 64th Street to the eastern boundary of the city of Edina;

(4) that portion of Scott County not included in the first congressional district; and

(5) that portion of Washington County consisting of the city of Cottage Grove, Denmark Township, Grey Cloud Island Township, the city of Hastings, the city of Newport, the city of St. Paul Park, that portion of the city of Afton lying south of a line described as follows: commencing at the intersection of the western boundary of the city of Afton and 22nd Street, easterly along 22nd Street to Neal Avenue South, southerly along Neal Avenue South to Valley Creek Trail South, easterly along Valley Creek Trail South to Stagecoach Trail South, southerly along Stagecoach Trail South to County Road 21, southerly along County Road 21 to St. Croix Trail South, southerly along St. Croix Trail South to 31st Street South, westerly along 31st Street South to Perrot Avenue, southerly along Perrot Avenue to Afton Boulevard South, easterly along Afton Boulevard South to County Road 21, southerly along County Road 21 to 32nd Street South, easterly along 32nd Street South to Pike Avenue North, northerly along Pike Avenue North to 31st Street South, easterly along 31st Street South and its extension to the eastern boundary of the city of Afton, and that portion of the city of Woodbury lying south of a line described as follows: commencing at the intersection of the western boundary of the city of Woodbury and Courtly Road, easterly along Courtly Road to Woodlane Drive, southerly along Woodlane Drive to Lake Road, easterly along Lake Road to County Road 13A, northeasterly along County Road 13A to Afton Road, southeasterly along Afton Road to County Road 19, northerly along County Road 19 to Valley Creek Road, easterly along Valley Creek Road to the eastern boundary of the city of Woodbury.

Sec. 4. [2.772] [FOURTH DISTRICT.]

The fourth congressional district consists of:

(1) that portion of Hennepin County consisting of the city of Minneapolis; and

(2) that portion of Ramsey County consisting of that portion of the city of St. Paul lying west of a line described as follows: commencing at the intersection of the southern boundary of the city of St. Paul and Robert Street, northerly along Robert Street to Wyoming Street, westerly along Wyoming Street to Livingston Avenue, northerly along Livingston Avenue to King Street, easterly along King Street to Robert Street, northerly along Robert Street to George Street, westerly along George Street to Humboldt Avenue, northerly along Humboldt Avenue to Wabasha Street, northeasterly along Wabasha Street to Congress Street, easterly along Congress Street to Concord Street, northwesterly along Concord Street to Wabasha Street, northwesterly along Wabasha Street to Plato Avenue, northeasterly along Plato Avenue to Robert Street, northwesterly along Robert Street to Shepard Road, northeasterly along Shepard Road to Jackson Street, northwesterly along Jackson Street to 12th Street, northeasterly along 12th Street to University Avenue, easterly along University Avenue to Mississippi Street, northerly along Mississippi Street to Pennsylvania Avenue, easterly along Pennsylvania Avenue to Interstate Highway 35E, northerly along Interstate Highway 35E to the northern boundary of the city of St. Paul.

Sec. 5. [2.782] [FIFTH DISTRICT.]

The fifth congressional district consists of:

(1) that portion of Anoka County consisting of the city of Anoka, and that portion of the city of Coon Rapids lying west of a line described as follows: commencing at the intersection of the northern boundary of the city of Coon Rapids and the western shore of Crooked Lake, southerly and easterly along

the western shore of Crooked Lake to an extension of Crooked Lake Lane, northeasterly along the extension and Crooked Lake Lane to Crooked Lake Boulevard, southerly along Crooked Lake Boulevard to 121st Lane Northwest, easterly along 121st Lane Northwest to Carlson Drive, southerly along Carlson Drive to Crocus Avenue, southerly along Crocus Avenue to Zion Street, southerly along Zion Street to Bittersweet Avenue, easterly along Bittersweet Avenue to Wren Street, southerly along Wren Street to Northdale Boulevard, easterly along Northdale Boulevard to Martin Street, southerly along Martin Street to 113th Avenue, easterly along 113th Avenue to Robinson Drive, southerly along Robinson Drive to Creek Meadow Drive, southwesterly along Creek Meadow Drive to 111th Avenue Northwest, westerly along 111th Avenue Northwest to Hanson Boulevard, southerly along Hanson Boulevard to Coon Rapids Boulevard, southeasterly along Coon Rapids Boulevard to Ibis Street, southerly along Ibis Street to 99th Avenue Northwest, easterly along 99th Avenue Northwest to Egret Boulevard, southerly along Egret Boulevard and its extension to the southern boundary of the city of Coon Rapids;

(2) *that portion of Carver County consisting of the city of Watertown and Watertown Township;*

(3) *that portion of Hennepin County consisting of the city of Brooklyn Center, the city of Brooklyn Park, the city of Champlin, the city of Corcoran, the city of Crystal, the city of Dayton, the city of Deephaven, the city of Excelsior, the city of Golden Valley, the city of Greenfield, the city of Greenwood, the city of Hanover, Hassan Township, the city of Hopkins, the city of Independence, the city of Long Lake, the city of Loretto, the city of Maple Grove, the city of Maple Plain, the city of Medicine Lake, the city of Medina, the city of Minnetonka, the city of Minnetonka Beach, the city of Minnetrista, the city of Mound, the city of New Hope, the city of Orono, the city of Osseo, the city of Plymouth, the city of Robbinsdale, the city of Rockford, the city of Rogers, the city of St. Bonifacius, the city of St. Louis Park, the city of Shorewood, the city of Spring Park, the city of Tonka Bay, the city of Wayzata, the city of Woodland, and that portion of the city of Edina not included in the third congressional district; and*

(4) *that portion of Wright County consisting of the city of Albertville, the city of Buffalo, Buffalo Township, the city of Dayton, the city of Delano, Frankfort Township, Franklin Township, the city of Hanover, the city of Rockford, Rockford Township, and the city of St. Michael.*

Sec. 6. [2.792] [SIXTH DISTRICT.]

The sixth congressional district consists of:

(1) *that portion of Anoka County not included in the fifth or eighth congressional district;*

(2) *that portion of Hennepin County not included in the third, fourth, or fifth congressional district;*

(3) *that portion of Ramsey County not included in the fourth congressional district; and*

(4) *that portion of Washington County not included in the third or eighth congressional district.*

Sec. 7. [2.802] [SEVENTH DISTRICT.]

The seventh congressional district consists of:

(1) all of Becker, Beltrami, Clay, Clearwater, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnomon, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Red Lake, Roseau, Todd, Traverse, Wadena, and Wilkin Counties;

(2) that portion of Benton County not included in the eighth congressional district;

(3) that portion of Cass County not included in the eighth congressional district;

(4) that portion of Crow Wing County not included in the eighth congressional district;

(5) that portion of Itasca County consisting of Alwwood Township, Ardenhurst Township, the unorganized territory of Bowstring Lake, Good Hope Township, Grattan Township, Kinghurst Township, Max Township, Moose Park Township, Nore Township, Pomroy Township, Sand Lake Township, the city of Squaw Lake, Third River Township, and Wirt Township;

(6) that portion of Koochiching County not included in the eighth congressional district;

(7) that portion of Pope County not included in the second congressional district;

(8) that portion of Stearns County not included in the second congressional district; and

(9) that portion of Stevens County not included in the second congressional district.

Sec. 8. [2.812] [EIGHTH DISTRICT.]

The eighth congressional district consists of:

(1) all of Aitkin, Carlton, Chisago, Cook, Isanti, Kanabec, Lake, Mille Lacs, Pine, and St. Louis Counties;

(2) that portion of Anoka County consisting of the city of Andover, the city of Bethel, Burns Township, Columbus Township, the city of East Bethel, the city of Ham Lake, Linwood Township, Oak Grove Township, the city of Ramsey, and the city of St. Francis;

(3) that portion of Benton County consisting of Glendorado Township, Granite Ledge Township, Maywood Township, and the city of Ronneby;

(4) that portion of Cass County consisting of Beulah Township, the unorganized territory of East Cass, Lima Township, Smoky Hollow Township, Torrey Township, and Wahnena Township;

(5) that portion of Crow Wing County consisting of Bay Lake Township, the city of Cuyuna, Dean Lake Township, the city of Deerwood, Deerwood Township, the city of Garrison, Garrison Township, Little Pine Township, Rabbit Lake Township, and Ross Lake Township;

(6) that portion of Itasca County not included in the seventh congressional district;

(7) that portion of Koochiching County consisting of the unorganized territory of East Koochiching, the city of International Falls, the city of Island View, the city of Littlefork, the unorganized territory of Nett Lake, the unorganized territory of Northome, the unorganized territory of Rainy

Lake, and the city of Ranier; that portion of the city of Big Falls consisting of Census Tract 9905, Blocks 324A, 326B, 341, 342, 343, 344, 345, 346, 347, 348A, 349, 350, 351, 353, 354, 355, 356, 357A, 359A, 360A, 361A, 362, 363A, 364, 378, 379, 380, 382, 383, 384, and 385; that portion of the unorganized territory of Northwest Koochiching consisting of Census Tract 9905, Blocks 140A, 228, 229, 230, 231, 247, and 254; and that portion of the unorganized territory of South Koochiching consisting of Census Tract 9905, Blocks 271, 276, 277, 290, 291, 292, 293, 297B, 310, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324B, 325, 326C, 327, 328B, 329B, 340B, 348B, 357B, 359B, 360B, 361B, 363B, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 540, 541, 542, 543, 544, 577C, and 578, and Cross R-Dentaybow Precinct, East Koochiching Unorganized Territory Precinct, Jameson-M'Brk Precinct, Lindford Precinct, Sil'Dale-S'Villeprec Precinct, Steffes Precinct, West Koochiching Unorganized Territory Precinct, and Wildwood-P Creek Precinct;

(8) that portion of Sherburne County not included in the second congressional district;

(9) that portion of Washington County consisting of the city of Forest Lake, Forest Lake Township, and New Scandia Township; and

(10) that portion of Wright County consisting of the city of Monticello, Monticello Township, and Otsego Township.

Sec. 9. [2.822] [CONTROLLING DESCRIPTION.]

If a territory in this state is not named in sections 1 to 8, but (1) lies within the boundaries of a congressional district, or (2) lies between the boundaries of two or more congressional districts, for the purposes of sections 1 to 8, the territory referred to in clause (1) is a part of the congressional district within which it lies, and the territory referred to in clause (2) is a part of the contiguous congressional district having the smallest population.

If a territory in this state is within the boundaries of two or more congressional districts, for the purposes of sections 1 to 8, the territory is a part of the contiguous congressional district having the smallest population.

Sec. 10. [REPEALER.]

Minnesota Statutes 1990, sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811, are repealed.

Sec. 11. [EFFECTIVE DATE.]

This act is effective for the state primary election in 1992 and thereafter."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 45, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Halberg	Laidig	Neuville
Benson, D.D.	Day	Johnson, D.E.	Larson	Olson
Benson, J.E.	Frederickson, D.R.	Johnston	McGowan	Pariseau
Bernhagen	Gustafson	Knaak	Mehrkens	Renneke

Those who voted in the negative 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

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

S.F. No. 1597 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 21, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Day	Johnston	Mehrkens	Renneke
Benson, D.D.	Frederickson, D.R.	Knaak	Merriam	
Benson, J.E.	Gustafson	Laidig	Neuville	
Bernhagen	Halberg	Larson	Olson	
Brataas	Johnson, D.E.	McGowan	Pariseau	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1596 and that the rules of the Senate be so far suspended as to give S.F. No. 1596, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1596: A bill for an act relating to technical and other corrections to the legislative redistricting plan; amending Laws 1991, chapter 246.

Mr. Laidig moved to amend S.F. No. 1596 as follows:

Page 52, line 17, strike from "Glenwood" through page 52, line 26, to the second "Avenue"

Page 52, line 27, strike "North, easterly" and strike "along Plymouth Avenue North to"

Page 52, line 28, strike "the Mississippi River," and delete "northerly" and strike "along the"

Page 52, strike lines 29 to 32 and insert "29th Avenue North to the northern border of Minneapolis, easterly to the Hennepin/Anoka county line, southerly and easterly on the Hennepin county boundary to the western

boundary of St. Anthony, southerly and easterly along the Minneapolis/St. Anthony border to the Hennepin/Ramsey county line, southerly to Broadway Street Northeast, westerly to Buchanan Street Northeast, southerly to Summer Street Northeast, westerly to Washington Street Northeast, northerly to 8th Avenue Northeast, southwesterly to the western border of senate district 59, generally northerly and westerly along the senate district 59 border"

Page 53, line 1, strike from "north" through page 53, line 13, to "to" and insert "west of"

Page 53, strike lines 21 to 26

Page 53, line 27, strike "River to" and delete "State" and strike "Highway" and delete "J22" and strike ", southwesterly"

Page 53, line 28, strike "along" and delete "State" and strike "Highway" and delete "J22" and strike "to Interstate Highway 35W."

Page 53, strike lines 29 to 34 and insert "*from the western boundary of Minneapolis easterly on 26th Avenue North to Thomas Avenue, southerly to 24th Avenue North, easterly to Sheridan Avenue North, northerly to 26th Avenue North, easterly to Queen Avenue North, northerly to 27th Avenue North, westerly to Russell Avenue North, northerly to 29th Avenue North, easterly to Queen Avenue North, northerly to Lowry Avenue North, easterly to Penn Avenue North, southerly to 29th Avenue North, easterly to Oliver Avenue North, northerly to 30th Avenue North, easterly to Morgan Avenue North, southerly to 29th Avenue North, westerly to Newton Avenue North, southerly to 27th Avenue North, easterly to Logan Avenue North, northerly to 29th Avenue North, easterly to Knox Avenue North, northerly to 30th Avenue North, easterly to Irving Avenue North, southerly to 29th Avenue North, easterly to Humboldt Avenue North, easterly to Girard Avenue North, southerly to 29th Avenue North, easterly to Emerson Avenue North, northerly to 30th Avenue North, easterly to 3rd Street North, northerly to Lowry Avenue North, easterly to the Mississippi River, southerly and southeasterly along the river to Hennepin Avenue, southwesterly along Hennepin Avenue to the third set of Burlington Northern Railroad tracks, northwesterly to 1st Avenue North, southwesterly to 4th Street North, southeasterly to 4th Avenue South, southwesterly to 6th Street South, northwesterly to 3rd Avenue South, southwesterly to 7th Street South, northwesterly to 2nd Avenue South, southwesterly to 9th Street South, southeasterly to 4th Avenue South, northeasterly to 8th Street South, southeasterly to 5th Avenue South, northeasterly to 7th Street South, southeasterly to Portland Avenue South, southwesterly to 10th Street South, southeasterly to 7th Avenue South, southwesterly to 11th Street South, northwesterly to Grant Street, westerly to Interstate Highway 35W South, southerly to East 15th Street, easterly to Park Avenue South, southerly to East 17th Street, southerly to East 16th Street, westerly to Portland Avenue South, southerly to East 17th Street, easterly to 11th Avenue South, southerly to Interstate Highway 94, easterly to Hiawatha Avenue, southeasterly to East Franklin Avenue, westerly to 16th Avenue South, northerly to East 18th Street, westerly to 15th Avenue South, southerly to East Franklin Avenue, westerly to 14th Avenue South, southerly to East 23rd Street, westerly to 13th Avenue South, southerly to East 24th Street, westerly to 11th Avenue South, northerly to East 21st Street, westerly to 10th Avenue South, southerly to East 24th Street, easterly to 11th Avenue South, southerly to East 25th Street, westerly to Elliot Avenue South, northerly to East 22nd Street, westerly to Chicago Avenue South, southerly to East 25th Street, westerly to Columbus Avenue South, northerly to East 24th Street, westerly*

to Park Avenue South, northerly to East 22nd Street, westerly to Oakland Avenue South, southerly to East 25th Street, westerly to Portland Avenue South, northerly to East 24th Street, westerly to Interstate Highway 35W, southwestly to East 26th Street, easterly to 5th Avenue South, southerly to East 27th Street, easterly to Portland Avenue South, northerly to East 26th Street, easterly to Oakland Avenue South, southerly to East 28th Street, easterly to Park Avenue South, southerly to the Soo Line Railroad tracks, easterly to Elliot Avenue South, southerly to East Lake Street, easterly to 10th Avenue South, southerly to East 31st Street, westerly to Elliot Avenue South, southerly to East 33rd Street, easterly to 10th Avenue South, southerly to East 34th Street, westerly to Elliot Avenue South, southerly to East 36th Street, westerly to Chicago Avenue South, southerly to East 37th Street, westerly to Columbus Avenue South, southerly to East 38th Street, easterly to Elliot Avenue South, southerly to East 39th Street, westerly to Chicago Avenue South, southerly to East 40th Street, westerly to Columbus Avenue South, southerly to East 41st Street, easterly to Chicago Avenue South, southerly to East 43rd Street, westerly to Columbus Avenue South, southerly to East 44th Street, easterly to 14th Avenue South, southerly to East 46th Street, westerly to 13th Avenue South, southerly to East 47th Street, westerly to Columbus Avenue South, northerly to East 46th Street, westerly to Portland Avenue South, southerly to East 48th Street, easterly to Stevens Avenue South, northerly to West 42nd Street, northerly to West 39th Street, easterly to 1st Avenue South, northerly to West 38th Street, westerly to Nicollet Avenue South, northerly to West 36th Street, westerly to Blaisdell Avenue South, northerly to West 35th Street, easterly to Nicollet Avenue South, northerly to West 34th Street, westerly to Blaisdell Avenue South, northerly to West 33rd Street, easterly to Nicollet Avenue South, northerly to West 32nd Street, westerly to Blaisdell Avenue South, northerly to West 31st Street, westerly to Pillsbury Avenue South, southerly to West 32nd Street, westerly to Grand Avenue South, northerly to West Lake Street, westerly to Garfield Avenue South, northerly to the Soo Line Railroad, easterly to Pleasant Avenue South, northerly to West 28th Street, westerly to Harriet Avenue South, northerly to West 27th Street, easterly to Pleasant Avenue South, northerly to West 26th Street, easterly to Pillsbury Avenue South, northerly to West 22nd Street, easterly to 1st Avenue South, southerly to West 24th Street, easterly to Stevens Avenue South, northerly to East 22nd Street, easterly to 3rd Avenue South, northerly to East 17th Street, westerly to 1st Avenue South, northerly to Grant Street, northeasterly to 12th Street, southeasterly to 2nd Avenue South, northeasterly to 11th Street South, northwesterly to Marquette Avenue, northeasterly to 10th Street South, northwesterly to Nicollet Mall, southwestly to 11th Street North, northwesterly to Linden Street, westerly to 12th Street North, northerly to Chestnut Street, westerly to 15th Street North, southerly to Linden Street, westerly to Lyndale Avenue North, northerly to the Burlington Northern Railroad line, northwesterly and northerly to 2nd Avenue North, westerly to Girard Avenue North, northerly to Glenwood Avenue North, westerly to Gramercy Avenue, southwestly and southeasterly to Cedar Lake Road, southwestly to Logan Avenue North, northerly to 3rd Avenue North, westerly to Penn Avenue North, northerly to Glenwood Avenue North, westerly to Queen Avenue North, northerly to 4th Avenue North, westerly to Russell Avenue North, southerly to Glenwood Avenue North, westerly to the Burlington Northern Railroad, northerly to Olson Memorial Highway, westerly to Xerxes Avenue North, northerly to 20th Avenue North."

Page 54, strike lines 27 to 36

Page 55, strike lines 1 to 11 and insert "*Olson Memorial Highway, westerly along the southern boundary of house district 59A to house district 59B, southerly along the western boundary of house district 59B to West 47th Street, westerly to Dupont Avenue South, northerly to West 44th Street, southwesterly to East Lake Harriet Parkway, northerly and westerly to William Berry Parkway, northerly to West 40th Street, westerly to France Avenue and the western boundary of Minneapolis, and northerly*"

Page 55, line 18, strike "West Lake Street"

Page 55, line 19, before the period, insert "*a line commencing at the intersection of France Avenue and the Soo Line Railroad on the western boundary of Minneapolis, easterly along the railroad to Calhoun Parkway, southerly to West 29th Street, easterly to Humboldt Avenue South, northerly to West 26th Street, easterly to the house district 59B western border*"

Page 55, line 26, strike "*intersection of Lyndale*"

Page 55, line 27, strike "Avenue South and Interstate Highway 94, easterly"

Page 55, line 28, strike "along Interstate Highway 94 and" and delete "*northeasterly*"

Page 55, line 29, delete "*along*" and strike "Interstate Highway 35W to" and delete "*State*" and strike "Highway" and delete "122" and strike the comma

Page 55, line 30, strike "easterly along" and delete "*State*" and strike "Highway" and delete "122" and strike "to Cedar Avenue South,"

Page 55, lines 31 to 36, strike the old language and delete the new language

Page 56, strike lines 1 to 17 and insert "*Broadway Street Northeast and the Hennepin/Ramsey county line, southerly along the county line to the extension of East 32nd Street, westerly to 19th Avenue South, northerly to East Lake Street, westerly to the eastern boundary of senate district 59, northerly along the eastern boundary of senate district 59 to the southern boundary of house district 58B, easterly along that boundary to the point of origin.*"

Page 56, line 23, delete "*Lyndale Avenue South*" and strike "and West 25th Street, easterly"

Page 56, strike lines 24 to 28 and insert "*East 17th Street and Chicago Avenue South, northerly to East 14th Street, easterly to 11th Avenue South, northeasterly to the Soo Line Railroad, northerly to 10th Avenue South, northeasterly along the extension of 10th Avenue South to the Mississippi River, southeasterly along the river to the Hennepin/Ramsey county line.*"

Page 56, line 36, delete "*State*" and strike "Highway" and delete "122" and strike "and Cedar Avenue South, northeasterly along"

Page 57, line 1, delete "*State*" and strike "Highway" and delete "122" and strike "to the Mississippi River,"

Page 57, line 2, strike "southeasterly and southerly along the Mississippi River to"

Page 57, lines 3 to 15, delete the new language and strike the old language

and insert *“East Lake Street and 10th Avenue South, southerly and westerly along the eastern boundary of house district 59B to Stevens Avenue South, southerly to East 50th Parkway, westerly to 1st Avenue South, southerly to Elmwood Place, southwesterly to Luverne Avenue, southeasterly to Valleyview Place, southwesterly to Stevens Avenue South, southerly to East 53rd Street, westerly to 1st Avenue South, southerly to West 58th Street, easterly along the northern boundary of house district 63B until it meets the Ramsey county line, northerly along the Hennepin/Ramsey county line to the southern boundary of senate district 61, easterly along the southern boundary of senate district 61 to the point of origin.”*

Page 57, strike lines 20 to 26 and insert *“commencing at the intersection of East 44th Street and 14th Avenue South, northerly to East 42nd Street, easterly to the Hennepin/Ramsey county line.”*

Page 58, line 12, strike *“north”* and insert *“west”*

Page 58, lines 13 to 23, strike the old language and delete the new language and insert *“the southern boundary of Minneapolis and Lyndale Avenue South, northerly to West 58th Street, and easterly to 1st Avenue South.”*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 20 and nays 45, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Halberg	Laidig	Neuville
Benson, D.D.	Day	Johnson, D.E.	Larson	Olson
Benson, J.E.	Frederickson, D.R.	Johnston	McGowan	Pariseau
Bernhagen	Gustafson	Knaak	Mehrkens	Renneke

Those who voted in the negative were:

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

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

S.F. No. 1596 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Sams
Beckman	Finn	Kroening	Morse	Samuelson
Berg	Flynn	Langseth	Novak	Spear
Berglin	Frank	Lessard	Pappas	Stumpf
Bertram	Frederickson, D.J.	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Hughes	Merriam	Price	
Davis	Johnson, D.J.	Metzen	Ranum	
DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Day	Knaak	Neuville	Solon
Benson, D.D.	Frederickson, D.R.	Laidig	Olson	Waldorf
Benson, J.E.	Halberg	Larson	Pariseau	
Bernhagen	Johnson, D.E.	McGowan	Renneke	
Brataas	Johnston	Mehrkens	Riveness	

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Sams; Johnson, D.J.; Samuelson; Beckman and Day introduced—

S.F. No. 1628: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Belanger introduced—

S.F. No. 1629: A bill for an act relating to drivers' licenses; motorized bicycles; reducing to 14 the minimum age for issuance of motorized bicycle permits and instruction permits; imposing certain requirements on motorized bicycle operators who are age 14; amending Minnesota Statutes 1990, sections 169.974, subdivision 2; and 171.02, subdivision 3; repealing Minnesota Statutes 1990, section 171.05, subdivision 3.

Referred to the Committee on Transportation.

Mr. Belanger introduced—

S.F. No. 1630: A bill for an act relating to retirement; public employees retirement association; authorizing the repayment of certain refunds and the purchase of credit for certain periods of prior service.

Referred to the Committee on Governmental Operations.

Mr. Frank, Ms. Flynn and Mr. Kroening introduced—

S.F. No. 1631: A bill for an act relating to unemployment compensation; the unemployment compensation trust fund; changing the determination of contribution rates; amending Minnesota Statutes 1990, section 268.06, subdivision 8.

Referred to the Committee on Employment.

Messrs. Sams, Berg, Samuelson, Langseth and Larson introduced—

S.F. No. 1632: A bill for an act relating to lawful gambling; specifying that certain expenditures for senior citizens and conservation programs are lawful purposes; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mr. Belanger introduced—

S.F. No. 1633: A bill for an act relating to the city of Bloomington; providing for the membership of the port authority; amending Minnesota Statutes 1990, section 469.071, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 1634: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hottinger; Beckman; Frederickson, D.R. and Day introduced—

S.F. No. 1635: A bill for an act relating to higher education; setting the cost of attendance for certain student financial aid; amending Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 1636: A bill for an act relating to the township of New Scandia; authorizing the establishment of a detached banking facility under certain conditions.

Referred to the Committee on Commerce.

Messrs. Johnson, D.E.; Neuville; Ms. Johnston, Messrs. Solon and Samuelson introduced—

S.F. No. 1637: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; authorizing assessments for debt service; changing the disposition of receipts of the rail service improvement account; appropriating money; amending Minnesota Statutes 1990, section 222.49; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

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

S.F. No. 1638: A bill for an act relating to counties; permitting county offices to be filled by special election; amending Minnesota Statutes 1990, sections 375.08; and 375.101, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Johnson, D.J.; Dicklich; Solon and Gustafson introduced—

S.F. No. 1639: A bill for an act relating to education; repealing the transfer of certain higher education programs offered by the community college

system in the Duluth area; repealing Laws 1991, chapter 356, article 3, section 14.

Referred to the Committee on Education.

Messrs. Beckman; Frederickson, D.J.; Langseth; DeCramer and Davis introduced—

S.F. No. 1640: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 1641: A bill for an act relating to education; removing certain restrictions on issuing and selling school loan bonds; amending Minnesota Statutes 1991 Supplement, section 124.479.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1642: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Ms. Traub, Mr. Spear, Ms. Berglin, Piper and Mr. Cohen introduced—

S.F. No. 1643: A bill for an act relating to child support; prohibiting issuance of drivers' licenses to persons with child support arrearages; requiring suspension of a driver's license for failure to pay child support; appropriating money; amending Minnesota Statutes 1990, section 171.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 171; and 518.

Referred to the Committee on Transportation.

Messrs. Finn, Luther and Hottinger introduced—

S.F. No. 1644: A bill for an act relating to commerce; regulating negotiable instruments; adopting the revised article 3 of the Uniform Commercial Code with conforming amendments to articles 1 and 4 approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws.

Referred to the Committee on Judiciary.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, January 9, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIRST DAY

St. Paul, Minnesota, Wednesday, January 8, 1992

The House of Representatives met on Wednesday, January 8, 1992, which was the Sixty-Third Legislative Day of the Seventy-Seventh Session of the Minnesota State Legislature. The Senate did not meet on this date.

SIXTY-SECOND DAY

St. Paul, Minnesota, Thursday, January 9, 1992

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

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	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.

MEMBERS EXCUSED

Mr. Halberg was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

May 14, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER OF HEALTH

Marlene E. Marschall, 670 Lovell Avenue, Roseville, Ramsey County, has been appointed by me, effective June 1, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Health and Human Services.)

October 1, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER OF CORRECTIONS

Orville B. Pung, 14499 North 57th Street, Stillwater, Washington County, has been appointed by me, effective September 27, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Health and Human Services.)

Warmest regards,
Arne H. Carlson, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1609. The motion prevailed.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1609: A bill for an act relating to metropolitan affairs; prohibiting certain metropolitan airports commission bond proceeds from being used to pay down leveraged buy-out debt; amending Minnesota Statutes 1991 Supplement, section 473.667, subdivision 11.

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

Page 4, delete lines 1 and 2 and insert:

“(e) None of the proceeds of the bonds issued under this subdivision or under section 473.6671 may be used to pay down leveraged buy-out debt.

Sec. 2. [APPLICATION; EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.”

And when so amended the bill do pass. Mr. Johnson, D.J. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee

on Rules and Administration.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1623: A bill for an act relating to alcoholic beverages; authorizing the issuance of an on-sale intoxicating liquor license.

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

Delete everything after the enacting clause and insert:

“Section 1. [BROOKLYN PARK; ON-SALE INTOXICATING LIQUOR LICENSE.]

The city of Brooklyn Park may issue to the Brooklyn Park economic development authority, and the Brooklyn Park economic development authority may hold, an on-sale intoxicating liquor license for the Edinburgh, U.S.A. golf course, clubhouse, restaurant, and associated facilities located in the city of Brooklyn Park. A license issued under this section is in addition to all other licenses authorized under Minnesota Statutes, section 340A.413. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

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

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

S.F. No. 1612: A bill for an act relating to human services; temporarily removing the time limit on work readiness assistance.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1621: A bill for an act relating to education; University of Minnesota; appropriating money for the institute of technology and system specials.

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

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

S.F. No. 1598: A bill for an act relating to elections; repealing the law requiring Minnesota to hold a presidential primary; repealing Minnesota Statutes 1990, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; and 207A.09.

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

Delete everything after the enacting clause and insert:

“Section 1. [207A.10] [PRIMARY BY MAIL.]

The secretary of state shall conduct the presidential primary by mail. The secretary of state may adopt rules governing the procedures for conducting the primary.

Sec. 2. [APPROPRIATION.]

§ is appropriated from the general fund to the secretary of state to implement section 1.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, sections 207A.03; 207A.04; and 207A.07, are repealed.”

Delete the title and insert:

“A bill for an act relating to elections; providing for a presidential primary by mail; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1990, sections 207A.03; 207A.04; and 207A.07.”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1623 and 1621 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Benson, D.D. be added as a co-author to S.F. No. 738. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 1385. The motion prevailed.

Mr. Larson moved that the name of Mr. Neuville be added as a co-author to S.F. No. 1606. The motion prevailed.

Mr. Mondale moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 1608. The motion prevailed.

Mr. Berg moved that the name of Mr. Luther be added as a co-author to S.F. No. 1609. The motion prevailed.

Mr. Gustafson moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 1611. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 1613. The motion prevailed.

Mr. Lessard moved that the name of Mr. Langseth be added as a co-author to S.F. No. 1614. The motion prevailed.

Mr. Marty moved that the names of Messrs. Knaak and Frank be added as co-authors to S.F. No. 1619. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Gustafson be added as a co-author to S.F. No. 1621. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1622. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1638. The motion prevailed.

Ms. Traub moved that S.F. No. 1643 be withdrawn from the Committee on Transportation and re-referred to the Committee on Health and Human Services. The motion prevailed.

Ms. Traub and Mr. Mondale introduced—

Senate Resolution No. 84: A Senate resolution honoring Robert DeGhetto for his service as Mayor of Minnetonka and as a member of the Minnetonka City Council.

Referred to the Committee on Rules and Administration.

Ms. Traub and Mr. Mondale introduced—

Senate Resolution No. 85: A Senate resolution honoring Mark Renneke for his service as a member of the Minnetonka City Council.

Referred to the Committee on Rules and Administration.

Ms. Traub and Mr. Mondale introduced—

Senate Resolution No. 86: A Senate resolution honoring Jane Gordon for her service as a member of the Minnetonka City Council.

Referred to the Committee on Rules and Administration.

Mr. Dahl moved that S.F. No. 687 be taken from the table. The motion prevailed.

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.

Mr. Dahl moved that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a new Conference Committee to be appointed on the part of the House. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Belanger and Ms. Johnston introduced—

S.F. No. 1645: A bill for an act relating to health; the insect sting emergency treatment act; permitting lay people to administer treatment in emergency situations; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Bernhagen; Frederickson, D.R.; Renneke; Johnson, D.E. and DeCramer introduced—

S.F. No. 1646: A bill for an act relating to education; extending interactive television levy authority to school districts in economic region six; amending Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g.

Referred to the Committee on Education.

Messrs. Sams, Mondale, Dicklich and Ms. Traub introduced—

S.F. No. 1647: A bill for an act relating to education; authorizing school bus transportation for learning readiness programs; amending Minnesota Statutes 1990, section 123.39, subdivision 8d.

Referred to the Committee on Education.

Messrs. Moe, R.D.; Langseth; Sams; Larson and Frederickson, D.R. introduced—

S.F. No. 1648: A bill for an act relating to the agricultural economy; authorizing certain obligations to assist in the use of agricultural industrial facilities in the city of Detroit Lakes; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Solon introduced—

S.F. No. 1649: A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Mr. Benson, D.D. introduced—

S.F. No. 1650: A bill for an act relating to local government; exempting the town of Marion from levy limits.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Benson, D.D. and Johnson, D.E. introduced—

S.F. No. 1651: A bill for an act relating to higher education; appropriating money for education and related purposes to the University of Minnesota.

Referred to the Committee on Finance.

Messrs. Benson, D.D.; Mehrkens; Mmes. Benson, J.E.; Pariseau and Mr. Bertram introduced—

S.F. No. 1652: A bill for an act relating to education; deleting a requirement delaying the sale and issuance of certain maximum effort school loan bonds; amending Minnesota Statutes 1991 Supplement, section 124.479.

Referred to the Committee on Education.

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

S.F. No. 1653: A bill for an act relating to cities; Millville and Dover; regulating detached banking facilities.

Referred to the Committee on Commerce.

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

S.F. No. 1654: A bill for an act relating to education; limiting the condition that restricts the sale of certain bonds; amending Minnesota Statutes 1991 Supplement, section 124.479.

Referred to the Committee on Education.

Messrs. Benson, D.D.; Frederickson, D.R.; Moe, R. D. and Johnson, D.E. introduced—

S.F. No. 1655: A bill for an act relating to appropriations; requiring disbursement of money for the Camp Creek trail system.

Referred to the Committee on Finance.

Mr. Mondale, Ms. Reichgott, Messrs. Luther, Metzen and Ms. Pappas introduced—

S.F. No. 1656: A bill for an act relating to metropolitan government; limiting the authority of the metropolitan council to authorize issuance of bonds for sewer facilities; limiting the authority of the public facilities authority to fund certain sewer projects; amending Minnesota Statutes 1990, sections 446A.05, subdivision 1, and by adding a subdivision; and 473.541, subdivisions 3, 4, and by adding a subdivision.

Referred to the Committee on Metropolitan Affairs.

Mr. Finn, Ms. Reichgott and Mr. Dicklich introduced—

S.F. No. 1657: A bill for an act relating to education; authorizing a special transportation levy for independent school district No. 31.

Referred to the Committee on Education.

Messrs. Cohen, Kelly, Marty and Novak introduced—

S.F. No. 1658: A bill for an act relating to Ramsey county; fixing times for the reports of the Ramsey county local government cooperation and consolidation study commission; amending Laws 1991, chapter 300, sections 1 and 2.

Referred to the Committee on Local Government.

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

S.F. No. 1659: A bill for an act relating to higher education; setting the initial terms of service on the higher education board; amending Laws 1991, chapter 356, article 9, section 8, subdivision 1.

Referred to the Committee on Education.

Mr. Spear introduced—

S.F. No. 1660: A bill for an act relating to courts; authorizing district courts to transfer civil actions to courts outside this state upon consent of those courts; enacting the uniform transfer of litigation act; proposing coding for new law as Minnesota Statutes, chapter 552.

Referred to the Committee on Judiciary.

Messrs. Cohen, Spear, Larson, Metzen and Day introduced—

S.F. No. 1661: A bill for an act relating to data practices; regulating access to certain data maintained by credit reporting agencies; proposing coding for new law as Minnesota Statutes, chapter 13C.

Referred to the Committee on Judiciary.

Messrs. Mondale, Riveness, Dicklich, Ms. Traub and Mr. Morse introduced—

S.F. No. 1662: A bill for an act relating to education; increasing funding for early childhood programs; increasing funding for individualized learning and development program; altering the budget reserve; appropriating money; amending Minnesota Statutes 1990, section 124.331, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 16A.15, subdivision 6; 121.831; 124.2711, subdivisions 3 and 4; and 124.332, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Ms. Johnston introduced—

S.F. No. 1663: A bill for an act relating to education; authorizing an optional extra referendum levy in 1992 for independent school district No. 719, Prior Lake.

Referred to the Committee on Education.

Mr. Johnson, D.J.; Ms. Reichgott, Messrs. Price, Riveness and Ms. Traub introduced—

S.F. No. 1664: A bill for an act relating to the local government trust fund; providing for payment from the fund for fiscal years 1994 and 1995; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 2:00 p.m. The motion prevailed.

The hour of 2:00 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. James D. Gorman.

OATH OF OFFICE

The newly elected Senator, Mr. Roy Terwilliger from the Forty-second District, presented his certificate of election and subscribed to the oath of office as administered by the Honorable Alexander M. Keith, Chief Justice of the Supreme Court.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1597.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1992

MOTIONS AND RESOLUTIONS - CONTINUED

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

Senate Resolution No. 87: A Senate resolution providing for Senate committee assignments.

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

That Senate Resolution No. 3, relating to standing committees of the Senate for the 77th session, Senate Permanent Journal pages 10-14, as amended by Senate Resolution No. 81, Daily Journal page 5676, be amended as follows:

Economic Development and Housing - ~~44~~ 12

Add: Terwilliger

Energy and Public Utilities - ~~44~~ 12

Add: Terwilliger

Health and Human Services - ~~46~~ 17

Add: Terwilliger

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was 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. 1621 and that the rules of the Senate be so far suspended as to

give S.F. No. 1621, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1621: A bill for an act relating to education; University of Minnesota; appropriating money for the institute of technology and system specials.

Mr. Benson, D.D. moved to amend S.F. No. 1621 as follows:

Page 2, after line 8, insert:

“Sec. 2. [APPROPRIATION TRANSFERS.]

The board of regents of the University of Minnesota is directed to transfer to its operations and maintenance appropriation for the fiscal year ending June 30, 1993, the appropriation made in section 1 and by Laws 1991, chapter 356, article 1, section 6, subdivision 3, paragraph (b), and related dollars for the Biomedical Engineering Center, Institute for Human Genetics, Biological Process Technology Institute, General Research, Fellowships for Minority and Disadvantaged Youth, Microelectronics and Information Science Center, Productivity Center, and Underground Space Center. The board of regents may allocate these transferred funds to the functions it deems to be of greatest significance in fulfilling its mission.”

Amend the title accordingly

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

S.F. No. 1621 was read the third time 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	Sarns
Belanger	Dicklich	Knaak	Morse	Samuelson
Benson, D.D.	Finn	Kroening	Neuville	Solon
Benson, J.E.	Flynn	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1623 and that the rules of the Senate be so far suspended as to give S.F. No. 1623, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1623: A bill for an act relating to alcoholic beverages; authorizing

the issuance of an on-sale intoxicating liquor license.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. No. 1622, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

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. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1609: A bill for an act relating to metropolitan affairs; prohibiting certain metropolitan airports commission bond proceeds from being used to pay down leveraged buy-out debt; amending Minnesota Statutes 1991 Supplement, section 473.667, subdivision 11.

Reports the same back with the recommendation that the report from the

Committee on Metropolitan Affairs, shown in the Journal for January 9, 1992, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”.

Mr. Moe, R.D. moved the adoption of the foregoing Committee Report. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1609 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Finn moved that S.F. No. 1609, on General Orders, be stricken and re-referred to the Committee on Finance.

CALL OF THE SENATE

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

The question was taken on the adoption of the motion of Mr. Finn.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Laidig	Pappas	Spear
Belanger	Finn	Langseth	Pariseau	Stumpf
Benson, J.E.	Gustafson	Lessard	Piper	Terwilliger
Berglin	Hughes	Metzen	Riveness	Traub
Bertram	Johnson, D.J.	Morse	Sams	
Brataas	Johnson, J.B.	Novak	Samuelson	
Chmielewski	Kroening	Olson	Solon	

Those who voted in the negative were:

Beckman	Day	Johnston	Mehrkens	Ranum
Benson, D.D.	DeCramer	Kelly	Merriam	Reichgott
Berg	Flynn	Knaak	Moe, R.D.	Renneke
Bernhagen	Frank	Larson	Mondale	Vickerman
Cohen	Frederickson, D.R.	Luther	Neuville	Waldorf
Dahl	Hottinger	Marty	Pogemiller	
Davis	Johnson, D.E.	McGowan	Price	

The motion did not prevail.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1596.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 9, 1992

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Pappas moved that S.F. No. 1086 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Commerce. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, January 13, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-THIRD DAY

St. Paul, Minnesota, Friday, January 10, 1992

The House of Representatives met on Friday, January 10, 1992, which was the Sixty-Third Legislative Day of the Seventy-Seventh Session of the Minnesota State Legislature. The Senate did not meet on this date.

SIXTY-FOURTH DAY

St. Paul, Minnesota, Monday, January 13, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Edward J. Campbell.

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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Gustafson was excused from the Session of today from 2:30 to 3:00 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

January 10, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

I have vetoed and am returning Chapter 358, Senate File 1596/House File 1726, a bill changing the boundaries of State legislative districts. This legislation would provide new Senate and House of Representative districts for the next 10 years.

During last year's session I attempted to veto Chapter 246 on Constitutional grounds as well as on grounds of simple fairness. That bill was in fact ultimately declared unconstitutional. Unfortunately, the new proposal embodied in Chapter 358 does not correct the problems inherent in Chapter 246. It lacks the essential element of fairness, both in its substance and in the process through which it was drafted.

After the original bill was declared unconstitutional, I wrote to the Legislative leadership and proposed that new legislation be prepared by either of two methods:

- Negotiation between Republican and Democrat legislative leaders, to produce a bi-partisan plan, or
- By referring the matter to a Commission with membership equally divided between Republican and Democrat appointees. Sitting legislators would not be eligible for the Commission, and both parties would agree to abide by its results.

I have never received a response to that request, and the bill pushed through Committee this week reflects no effort at developing a fair, negotiated or bi-partisan solution.

I had earlier called on a bi-partisan Reapportionment Advisory Committee to give me their recommendations on criteria that should be considered in any legislative redistricting plan. The Committee found that, in upholding constitutional principles, legislative districts must be contiguous and adhere to the one person, one vote principle. To accomplish this, the Committee recommended a maximum deviation of one percent from the ideal population. This bill permits excessive deviation.

I established policy priorities for any redistricting plan in this order: (a) enhancement of the interests of minority groups, (b) maintainance, as far as possible, of the boundaries of existing political subdivisions such as municipalities and counties, and (c) the development of geographically and geometrically compact and convenient districts.

The proposed redistricting plan falls short of attaining the first priority. Fairness to minorities is a fundamental precept. And this bill dilutes minority votes in violation of that precept. For example, Minnesota's largest minority group is the African-American Community. This bill unfairly spreads African-Americans over three legislative districts in Minneapolis.

The plan also makes the assumption that all minorities have common interests and should be grouped together. Even with this insensitive assumption, no Senate district has 50 percent minorities. I believe Minnesota can do

better than that. The way to do better is to draw the minority districts first.

The bill separates Minnesota Native American reservations into different districts. This is not consistent with the fundamental goal of consolidating minority voting power. In all cases, district plans should be drawn to preserve the strength of minority voting populations and increase the probability of minority representation.

Chapter 358 is also contrary to the Committee's recommendation to respect political lines as much as possible. Too many county lines are cut. Political boundaries do not receive as much respect as is practicable. Cities are sliced, suburbs are divided and townships are fragmented. These deficiencies must be corrected.

Finally, the Committee's third priority is that districts be geographically and geometrically compact. The new redistricting plan embodied in Chapter 358 continues the existence of too many oddly shaped districts. For example, the metro district boundaries are confusing and the districts are anything but compact.

The deficiencies in Chapter 358 reflect a flawed process. Because of these flaws, and because this legislation which will affect Minnesota for the next 10 years was prepared with no bi-partisan input, I must veto this bill.

Sincerely,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 1596 and the veto message thereon be laid on the table. The motion prevailed.

January 10, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

I have vetoed and am returning Chapter 357, Senate File 1597/House File 1728, a bill changing the boundaries of Minnesota congressional districts. The bill fails to meet essential standards of fairness, and I question its constitutionality.

First, it is obvious that prior voter behavior has driven the drawing of these district lines. The plan is designed to protect certain incumbents and produce a preordained ratio of majority and minority members in the state's congressional delegation.

Second, congressional districts must be contiguous and compact. Contiguous these districts may be; but compact they are not. For example District six wraps from Hastings to Buffalo. District eight commences on the Canadian border and enters the city of Anoka. This may produce political advantage for the drafters, but it thwarts the concept of community of interest.

Chapter 357 shows little regard for the integrity of existing political subdivision boundaries. For example, Bloomington is again cut apart and Inver Grove Heights is again divided. The city of Delano is cut in two. Division of political subdivisions is not minimized to the extent practicable.

Finally, Chapter 357 fails to maximize minority voter representation. Districts four and five utilize congressional lines that divide areas with sizable concentrations of minority populations. These lines diminish the voting strength of these minority populations.

Chapter 357 does not comply with constitutional criteria for redistricting. Equally important, it lacks fundamental fairness. Last year I had written to the Legislative leadership and proposed that the redistricting legislation be prepared by either of two methods:

- Negotiation between Republican and Democrat legislative leaders, to produce a bi-partisan plan, or failing that,
- Referring the matter to a Commission with membership equally divided between Republican and Democrat appointees. Sitting legislators would not be eligible for the Commission, and both parties would agree to abide by its results.

I have never received a response to that request, and the bill pushed through Committee this week reflects no effort at developing a fair, negotiated or bi-partisan solution. For these reasons, I must veto Chapter 357.

Sincerely,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 1597 and the veto message thereon 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. 1598: A bill for an act relating to elections; providing for a presidential primary by mail; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1990, sections 207A.03; 207A.04; and 207A.07.

Reports the 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 207A.01, is amended to read:

207A.01 [PRESIDENTIAL PRIMARY.]

A presidential primary must be held on the first Tuesday in April of each year *after 1993* in which a president and vice president of the United States are to be nominated and elected, at which the voters of this state may express

their preference among the candidates of the major political party of their choice, for that party's nomination to be president of the United States or may vote for uncommitted delegates to the national party convention. For the purposes of sections 207A.01 to 207A.07, "political party" or "party" means a political party as defined in section 200.02, subdivision 7.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. "

Delete the title and insert:

"A bill for an act relating to elections; changing the year for implementing the presidential primary; amending Minnesota Statutes 1990, section 207A.01."

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. 1612: A bill for an act relating to human services; temporarily removing the time limit on work readiness assistance.

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

Page 1, line 8, delete "*June*" and insert "*April*"

Page 1, lines 13 and 16, delete "*July*" and insert "*May*"

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

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 1605: A bill for an act relating to horse racing; prohibiting pari-mutuel licensees from accepting wagers made by telephone or made on credit; amending Minnesota Statutes 1991 Supplement, section 240.13, subdivision 8.

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

Page 1, line 12, after the semicolon, insert "*or*"

Page 1, delete line 13

Page 1, line 14, delete "*(4)*" and insert "*(3)*"

Page 1, after line 15, insert:

"Sec. 2. Minnesota Statutes 1990, section 349.2127, is amended by adding a subdivision to read:

Subd. 8. [GAMBLING PURCHASES ON CREDIT.] An organization may not accept a credit card or other form of credit in payment for the purchase of gambling equipment or for a chance to participate in lawful gambling."

Page 1, line 16, delete "*2*" and insert "*3*"

Page 1, line 17, delete "*Section 1*" and insert "*This act*"

Amend the title as follows:

Page 1, line 2, delete "horse racing" and insert "gambling"

Page 1, line 3, delete "by telephone or"

Page 1, line 4, delete "made" and after the semicolon, insert "prohibiting lawful gambling organizations from accepting credit cards or other forms of credit for lawful gambling purchases;" and after "amending" insert "Minnesota Statutes 1990, section 349.2127, by adding a subdivision;"

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

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

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

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 152.01, is amended by adding a subdivision to read:

Subd. 3a. [COCAINE.] "Cocaine" means coca leaves and any salt, compound, derivative, or preparation of coca leaves, including cocaine and ecgonine, the salts and isomers of cocaine and ecgonine, and the salts of their isomers and any salt, compound, derivative, or preparation thereof that is chemically equivalent or identical with any of those substances, except decocainized coca leaves or extraction of coca leaves, which extractions do not contain cocaine or ecgonine.

Sec. 2. Minnesota Statutes 1990, section 152.01, subdivision 15a, is amended to read:

Subd. 15a. [SELL.] "Sell" means:

(1) to sell, give away, barter, deliver, exchange, distribute or dispose of to another, *or to manufacture*; or

(2) to offer or agree to ~~do the same; or to manufacture~~ perform an act listed in clause (1); or

(3) to possess with intent to perform an act listed in clause (1).

Sec. 3. Minnesota Statutes 1991 Supplement, section 152.01, subdivision 20, is amended to read:

Subd. 20. [UNLAWFULLY.] "Unlawfully" means selling, or possessing, ~~or possessing with intent to sell~~ a controlled substance in a manner not authorized by law.

Sec. 4. Minnesota Statutes 1991 Supplement, 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 *other than cocaine*;

(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 10, after “drug” insert “*other than cocaine*”

Pages 2 and 3, delete section 3 and insert:

“Sec. 6. Minnesota Statutes 1991 Supplement, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug *other than cocaine*;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any of the following in a school zone, a park zone, or a public housing zone:

(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 3, line 15, after "drug" insert "*other than cocaine*"

Pages 3 and 4, delete sections 5 and 6 and insert:

"Sec. 8. Minnesota Statutes 1991 Supplement, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine ~~base~~;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug *other than cocaine*;

~~(3) the person unlawfully possesses one or more mixtures containing a narcotic drug with the intent to sell it;~~

~~(4)~~ (4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

~~(5)~~ (4) the person unlawfully possesses any amount of a schedule I or II narcotic drug in a school zone, a park zone, or a public housing zone;

~~(6)~~ (5) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or

~~(7)~~ (6) 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. 9. Minnesota Statutes 1990, section 152.025, subdivision 2, is amended to read:

Subd. 2. [POSSESSION AND OTHER CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in schedule I, II, III, or IV, except a small amount of marijuana; or

~~(2) the person unlawfully possesses one or more mixtures containing marijuana or Tetrahydrocannabinols with the intent to sell it, except a small amount of marijuana for no remuneration; or~~

~~(3)~~ (3) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment and apply to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, before "cocaine" insert "powder"

Page 1, line 5, after the semicolon, insert "amending the definition of sale to include possession with intent to sell;"

Page 1, line 6, after "sections" insert "152.01, subdivision 15a, and by adding a subdivision;" and delete "subdivisions 1 and" and insert "subdivision"

Page 1, delete line 7 and insert "subdivision 2; 152.025, subdivision 2; Minnesota Statutes 1991 Supplement, sections 152.01, subdivision 20; 152.021, subdivision 1; 152.022, subdivision 1; and 152.023, subdivision 2."

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

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

S.F. No. 1619: A bill for an act relating to crimes; including certain assaults as disqualification for certain permits; amending Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

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

Page 1, line 14, after the second comma, insert "*assault in the fifth degree if the assault was committed within five years of a previous conviction under sections 609.221 to 609.224, malicious punishment of a child,*"

Page 1, after line 25, insert:

"Sec. 2. Minnesota Statutes 1990, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a *felony* or crime of violence unless ten years have elapsed since the person has been restored to civil rights or *unless ten years have elapsed since the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other felony or crime of violence.* For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been *felonies* or crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate."

Delete the title and insert:

"A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1598, 1612, 1605, 11 and 1619 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Cohen moved that the name of Mr. Lessard be added as a co-author to S.F. No. 27. The motion prevailed.

Mr. Mondale moved that the name of Mr. Kelly be added as a co-author to S.F. No. 1607. The motion prevailed.

Mr. Mondale moved that the names of Messrs. Solon and Chmielewski be added as co-authors to S.F. No. 1608. The motion prevailed.

Mr. Lessard moved that the names of Mr. Vickerman, Mrs. Adkins and

Mr. Belanger be added as co-authors to S.F. No. 1614. The motion prevailed.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 11 and that the rules of the Senate be so far suspended as to give S.F. No. 11, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 11: A bill for an act relating to crimes; controlled substances; increasing penalties for sale or possession of powder cocaine to be identical to the penalties for sale or possession of cocaine base; amending the definition of sale to include possession with intent to sell; amending Minnesota Statutes 1990, sections 152.01, subdivision 15a, and by adding a subdivision; 152.021, subdivision 2; 152.022, subdivision 2; 152.025, subdivision 2; Minnesota Statutes 1991 Supplement, sections 152.01, subdivision 20; 152.021, subdivision 1; 152.022, subdivision 1; and 152.023, 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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1598 and that the rules of the Senate be so far suspended as to give S.F. No. 1598, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1598: A bill for an act relating to elections; changing the year for implementing the presidential primary; amending Minnesota Statutes 1990, section 207A.01.

Mr. McGowan moved to amend S.F. No. 1598 as follows:

Page 1, after line 18, insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08, are repealed.”

Page 1, line 20, delete “*Section 1 is*” and insert “*Sections 1 and 2 are*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “eliminating requirement that primary voters identify themselves by party;”

Page 1, line 4, before the period, insert “; repealing Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08”

The motion prevailed. So the amendment was adopted.

S.F. No. 1598 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 10, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Chmielewski	Dicklich	Johnson, D.J.	McGowan
Benson, D.D.	Cohen	Frank	Knaak	Pogemiller

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 Calendar. The motion prevailed.

CALENDAR

S.F. No. 1622: 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.

Was read the third time 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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
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.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 1612 and that the rules of the Senate be so far suspended as to give S.F. No. 1612, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

S.F. No. 1612: A bill for an act relating to human services; temporarily removing the time limit on work readiness assistance.

Mr. Samuelson moved to amend S.F. No. 1612 as follows:

Page 1, line 11, after the period, insert "*The commissioner shall send a notice to the last known address of all persons whose assistance was terminated because of the time limit informing them that they may be eligible for additional work readiness assistance if they reapply. If these persons reapply by February 29, 1992, and meet all other eligibility criteria, they are eligible for assistance beginning February 1, 1992. The eligibility period for those who reapply after February 29, 1992, and for all other work readiness applicants begins on the first day of the calendar month following the date of application or following the date all eligibility factors are met, whichever is later.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1612 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 46 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Novak	Solon
Beckman	Finn	Langseth	Pappas	Spear
Benson, J.E.	Flynn	Lessard	Piper	Stumpf
Berg	Frank	Luther	Pogemiller	Traub
Berglin	Frederickson, D.J.	Marty	Price	Vickerman
Bertram	Hottinger	Merriam	Ranum	Waldorf
Chmielewski	Hughes	Metzen	Reichgott	
Cohen	Johnson, D.J.	Moe, R. D.	Riveness	
Davis	Johnson, J.B.	Mondale	Sams	
DeCramer	Kelly	Morse	Samuelson	

Those who voted in the negative were:

Belanger	Day	Johnson, D.E.	McGowan	Pariseau
Benson, D.D.	Frederickson, D.R.	Johnston	Mehrkens	Renneke
Bernhagen	Gustafson	Knaak	Neuville	Terwilliger
Brataas	Halberg	Laidig	Olson	

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

CALL OF THE SENATE

Mr. Berg 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. 1609, which the committee recommends be re-referred to the Committee on Economic Development and Housing.

Mr. Finn moved that S.F. No. 1609 be referred to the Committee on Economic Development and Housing.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Hughes	Metzen	Sams
Belanger	Dicklich	Johnson, D.J.	Novak	Samuelson
Benson, J.E.	Finn	Johnson, J.B.	Olson	Solon
Berglin	Frederickson, D.J.	Kroening	Pappas	Spear
Bertram	Gustafson	Laidig	Pariseau	Stumpf
Brataas	Halberg	Langseth	Piper	Terwilliger
Chmielewski	Hottinger	Lessard	Riveness	Traub

Those who voted in the negative were:

Adkins	Day	Johnston	McGowan	Neuville
Benson, D.D.	DeCramer	Kelly	Mehrkens	Ranum
Berg	Flynn	Knaak	Merriam	Reichgott
Bernhagen	Frank	Larson	Moe, R.D.	Renneke
Cohen	Frederickson, D.R.	Luther	Mondale	Vickerman
Dahl	Johnson, D.E.	Marty	Morse	Waldorf

The motion prevailed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Solon introduced—

S.F. No. 1665: A bill for an act relating to retirement; state patrol retirement plan; eliminating an age-related limit on service credit; amending Minnesota Statutes 1990, section 352B.01, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1666: A bill for an act relating to local government; amending various laws relating to contracts and conflicts of interest; amending Minnesota Statutes 1990, sections 412.311; 412.691; 471.345, subdivisions 3, 4, and by adding a subdivision; and 471.88, subdivision 5; repealing Minnesota Statutes 1990, section 471.88, subdivision 8.

Referred to the Committee on Local Government.

Messrs. Sams and Chmielewski introduced—

S.F. No. 1667: A bill for an act relating to lawful gambling; specifying that certain expenditures for recreational snowmobiling are lawful purposes; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mr. Samuelson introduced—

S.F. No. 1668: A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, section 204B.45, subdivisions 1 and 2.

Referred to the Committee on Elections and Ethics.

Messrs. Finn, Morse and Lessard introduced—

S.F. No. 1669: A bill for an act relating to watercraft; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dicklich and Lessard introduced—

S.F. No. 1670: A bill for an act relating to education; restoring aid authorization and aid for late activity buses; amending Minnesota Statutes 1991 Supplement, sections 124.223, subdivision 1; 124.225, subdivision 1; and Laws 1991, chapter 265, article 2, section 19, subdivision 2.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 1671: A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

Referred to the Committee on Judiciary.

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

S.F. No. 1672: A bill for an act relating to crime; providing for life imprisonment without release for certain persons convicted of first degree murder or repeat violent sex offenses; requiring consecutive sentences for persons convicted of multiple violent crimes; removing the crime of intentional second degree murder from the sentencing guidelines; providing mandatory minimum sentences for persons convicted of second and third degree murder, certain sex offenses, and first degree assault; reducing the good time allowance for violent offenders; granting the attorney general concurrent authority to prosecute felony offenses; expanding the sex offender registration statute; requiring the commissioner of corrections to determine whether a “psychopathic personality” commitment petition should be filed before releasing a sex offender from prison; authorizing bonding for capital improvements; changing penalties for certain prostitution related crimes; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 244.04, subdivisions 1, 3, and by adding a subdivision; 244.05, subdivisions 4, 5, and by adding a subdivision; 609.15, by adding a subdivision; 609.184, subdivision 2; 609.19; 609.195; 609.221; 609.322; 609.323; 609.342, subdivision 2; 609.343, subdivision 2; and 609.346, subdivision 2a; Minnesota Statutes 1991 Supplement, section 243.166, subdivisions 1, 3, and 6.

Referred to the Committee on Judiciary.

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

S.F. No. 1673: A bill for an act relating to natural resources; prohibiting water ski slalom courses on certain waters of the state; proposing coding for new law in Minnesota Statutes, chapter 86B.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller and Ms. Flynn introduced—

S.F. No. 1674: A bill for an act relating to traffic regulations; permitting certain cities to provide for volunteer enforcement of certain regulations; amending Minnesota Statutes 1990, section 169.346, by adding a subdivision.

Referred to the Committee on Transportation.

Ms. Berglin introduced—

S.F. No. 1675: A bill for an act relating to aging; establishing an advisory task force to study issues of concern to Indian elders; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Bertram and Finn introduced—

S.F. No. 1676: A bill for an act relating to education; removing certain restrictions on issuing and selling school loan bonds; amending Minnesota Statutes 1991 Supplement, section 124.479.

Referred to the Committee on Education.

Messrs. Sams, Langseth and Larson introduced—

S.F. No. 1677: A bill for an act relating to liquor; authorizing municipal liquor stores to jointly purchase intoxicating malt liquor; amending Minnesota Statutes 1990, section 340A.312, by adding a subdivision.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 1678: A bill for an act relating to child care centers; prohibiting retaliation against persons who file complaints; prohibiting the use of beanbags and walkers; amending Minnesota Statutes 1990, section 245A.14, by adding subdivisions.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 1679: A bill for an act relating to lotteries; requiring the director to establish sports pool games; establishing a human resources account in the general fund, to which all net proceeds from these games must be credited; appropriating money for nutrition, housing, and health care; amending Minnesota Statutes 1990, sections 145A.14, by adding a subdivision; 349A.04; and 349A.13; Minnesota Statutes 1991 Supplement, section 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 256 and 268.

Referred to the Committee on Gaming Regulation.

Ms. Johnson, J.B.; Messrs. Davis and Chmielewski introduced—

S.F. No. 1680: A bill for an act relating to taxation; sales; modifying the exemption for occasional sales; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. DeCramer, Berg and Davis introduced—

S.F. No. 1681: A bill for an act relating to livestock diseases; modifying requirements for certain tests; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

Referred to the Committee on Agriculture and Rural Development.

Mr. Lessard introduced—

S.F. No. 1682: A bill for an act relating to elections; repealing the law requiring Minnesota to hold a presidential primary; repealing Minnesota Statutes 1990, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; and 207A.09.

Referred to the Committee on Elections and Ethics.

Mr. Johnson, D.E. introduced—

S.F. No. 1683: A bill for an act relating to elections; repealing the law requiring Minnesota to hold a presidential primary; repealing Minnesota

Statutes 1990, sections 207A.01; 207A.02; 207A.03; 207A.04; 207A.06; 207A.07; 207A.08; and 207A.09.

Referred to the Committee on Elections and Ethics.

Ms. Johnson, J.B. introduced—

S.F. No. 1684: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Sams and Langseth introduced—

S.F. No. 1685: A bill for an act relating to education; authorizing transportation aid for late transportation for pupils involved in after school activities; amending Minnesota Statutes 1991 Supplement, sections 124.223, subdivision 1; and 124.225, subdivision 1; Laws 1991, chapter 265, article 2, section 19, subdivision 2.

Referred to the Committee on Education.

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

S.F. No. 1686: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapter 61A.

Referred to the Committee on Commerce.

Mr. Spear, Ms. Ranum, Messrs. Kelly, Marty and Ms. Traub introduced—

S.F. No. 1687: A bill for an act relating to crime; increasing penalties for certain sex offenders; providing for life imprisonment for certain repeat sex offenders; increasing supervision of sex offenders following release from prison; eliminating the "good time" reduction in a prison sentence unless a sex offender satisfactorily completes a treatment program in prison; prohibiting the release of a prison inmate on a weekend or holiday; requiring review of sex offenders for psychopathic personality commitment before prison release; amending Minnesota Statutes 1990, sections 241.67, subdivision 3; 244.04, subdivision 1; 244.05, subdivisions 1, 3, 4, 5, and by adding a subdivision; 609.1352, subdivision 5, and by adding a subdivision; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 244.05, subdivision 6; and 244.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mses. Johnston, Olson and Mr. Belanger introduced—

S.F. No. 1688: A bill for an act relating to taxation; providing for payment of property tax refunds to the personal representative of a decedent; amending Minnesota Statutes 1990, section 290A.18, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Metzzen, Luther, Mehrkens, Solon and Ms. Pappas introduced—

S.F. No. 1689: A bill for an act relating to insurance; property and casualty; regulating certain terminations and modifications or changes to certain agent agreements; modifying the definition of loss ratio experience; modifying membership in the board of review; amending Minnesota Statutes 1990, sections 60A.172; and 60A.177, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Dahl, Mondale, Mses. Olson, Reichgott and Mr. Riveness introduced—

S.F. No. 1690: A bill for an act relating to education; restricting intermediate district revenue to members of intermediate school districts; modifying and clarifying procedures for withdrawal from membership in intermediate districts; eliminating state approval in certain circumstances; authorizing intermediate districts to levy to restore one year's revenue reduction; repealing intermediate district revenue for school districts; amending Minnesota Statutes 1990, section 136D.75; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivision 6; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; and 136D.82, subdivision 3; repealing Minnesota Statutes 1990, section 136D.76, subdivision 3; Minnesota Statutes 1991 Supplement, sections 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2.

Referred to the Committee on Education.

Messrs. Kelly, Cohen, Knaak, Belanger and Stumpf introduced—

S.F. No. 1691: A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, and by adding subdivisions; 488A.12, subdivision 3; and 488A.29, subdivision 3; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, section 487.30, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. McGowan, Knaak, Chmielewski and Mrs. Adkins introduced—

S.F. No. 1692: A bill for an act proposing an amendment to the Minnesota Constitution, article I, by adding a section; authorizing the death penalty for first degree murder.

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

Messrs. Waldorf, Neuville, Stumpf, Mmes. Adkins and Benson, J.E. introduced—

S.F. No. 1693: A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's

pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

Referred to the Committee on Judiciary.

Ms. Traub, Mr. Mondale, Mses. Flynn, Ranum and Olson introduced—

S.F. No. 1694: A bill for an act relating to Hennepin county; authorizing expenditures to improve and maintain lake quality; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Local Government.

Ms. Traub, Mrs. Adkins, Messrs. Hottinger and Solon introduced—

S.F. No. 1695: A bill for an act relating to commerce; real estate brokers; creating a lien for unpaid leasing commissions and providing for its enforcement; proposing coding for new law in Minnesota Statutes, chapter 514.

Referred to the Committee on Commerce.

Mr. Frederickson, D.R.; Mrs. Adkins, Messrs. Frederickson, D.J. and Neuville introduced—

S.F. No. 1696: A bill for an act relating to alcoholic beverages; municipal liquor stores; specifying the conditions under which a municipality is required to hold a public hearing on the question of continued operation of a municipal liquor store; amending Minnesota Statutes 1990, section 340A.602.

Referred to the Committee on Commerce.

Messrs. Mondale, Hottinger, Mses. Pappas, Ranum and Mr. Sams introduced—

S.F. No. 1697: A bill for an act relating to higher education; requiring state university and community college students to participate in community service; amending Minnesota Statutes 1990, section 135A.11.

Referred to the Committee on Education.

Messrs. Mondale, Luther, Hottinger, Cohen and Mrs. Brataas introduced—

S.F. No. 1698: A bill for an act relating to commerce; restraint of trade; providing a civil remedy for injury to business reputation or dilution of quality of a mark; providing grounds for injunctive relief; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

Messrs. Finn, Cohen, Spear, McGowan and Merriam introduced—

S.F. No. 1699: A bill for an act relating to courts; providing for the creation of a board of Minnesota certified shorthand court reporters; proposing coding for new law in Minnesota Statutes, chapter 486.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Hottinger, Cohen, Ms. Traub and Mr. Mondale introduced—

S.F. No. 1700: A bill for an act relating to family law; modifying the requirements for a person other than a parent who seeks child custody or visitation; amending Minnesota Statutes 1990, section 518.156, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Day, Ms. Berglin and Mr. Sams introduced—

S.F. No. 1701: A bill for an act relating to human services; defining certain terms; providing for certain child care funding; appropriating money; amending Minnesota Statutes 1990, sections 256H.01, subdivision 9, and by adding a subdivision; and 256H.10, subdivision 1; Minnesota Statutes 1991 Supplement, sections 256H.03, subdivisions 4 and 6; and 256H.05, subdivision 1b, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Dahl, Morse, Ms. Johnson, J.B. and Mr. Merriam introduced—

S.F. No. 1702: A bill for an act relating to education; providing for an open and standing appropriation for debt service equalization aid; appropriating money for debt service equalization aid for school districts; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Finance.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Wednesday, January 15, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, January 14, 1992

The House of Representatives met on Tuesday, January 14, 1992, which was the Sixty-Third Legislative Day of the Seventy-Seventh Session of the Minnesota State Legislature. The Senate did not meet on this date.

SIXTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, January 15, 1992

The Senate met at 2:00 p.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, Monsignor James D. Habiger.

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

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	Stumpf
Brataas	Halberg	Lessard	Pappas	Terwilliger
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	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.

MEMBERS EXCUSED

Messrs. Gustafson and Solon were excused from the Session of today. Mr. Beckman was excused from the Session of today from 2:00 to 2:30 p.m.

Messrs. Berg, Bertram, Day, Dahl, DeCramer, Halberg, Knaak, Laidig, Novak and Moe, R.D. were excused from this evening's Session.

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. 11 and 1621.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 14, 1992

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.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1666: A bill for an act relating to local government; amending various laws relating to contracts and conflicts of interest; amending Minnesota Statutes 1990, sections 412.311; 412.691; 471.345, subdivisions 3, 4, and by adding a subdivision; and 471.88, subdivision 5; repealing Minnesota Statutes 1990, section 471.88, subdivision 8.

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 376.08, is amended to read:
376.08 [COUNTIES, APPROPRIATIONS FOR HOSPITALS AND NURSING HOMES.]

Subdivision 1. [APPROPRIATIONS.] Except as provided in subdivision 2, the board of county commissioners in any county with a population of 50,000 or less may appropriate up to \$65,000 annually from the general revenue fund of the county for the acquisition of lands for hospital purposes, and the construction, improvement, alterations, equipment and maintenance of hospitals within the county. The board may also appropriate up to \$25,000 from the general revenue fund of the county for the acquisition of land and construction of municipally owned nursing homes within the county.

Subd. 2. [REMODELING OR ADDITIONS.] A county hospital may by majority vote of its board of commissioners enter into projects for the construction of an addition or remodeling to its presently existing facility or the acquisition of equipment as described in this subdivision without complying with the dollar limitation of subdivision 1 or the election requirements of section 376.03. This subdivision applies only to projects in which the funds for the project are derived from dedicated, restricted, or other designated accounts or the hospital's depreciation fund and do not require incurring debt by the county through the issuance of bonds or otherwise. An addition to a current hospital under this subdivision may include construction of buildings physically separate from the present hospital building, as well as additions to the present building, if the new buildings are constructed on the hospital's existing premises.

This subdivision does not affect the ability of the hospital board to approve funds for improvements or remodeling of a hospital facility under other law.

Subd. 3. [LIMITATION ON HOSPITAL CAPACITY.] Section 144.551 applies to any project authorized by subdivision 2. Subdivision 2 does not authorize an increase in the license capacity of the hospital or the licensing, relocation, or redistribution of hospital beds except as provided by section 144.551, subdivision 1, paragraph (b).”

Page 2, line 5, delete “\$” and insert “\$25,000 unless a lower

limit is provided by the city council”

Page 2, lines 15, 16, 26, and 28, delete “\$” and insert “\$25,000”

Page 3, line 4, after “damages,” insert “or” and delete “or costs” and insert “but may award an unsuccessful bidder the costs of preparing an unsuccessful bid”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “authorizing county hospitals to undertake certain projects;”

Page 1, line 4, after “sections” insert “376.08;”

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 the following appointment as reported in the Journal for February 11, 1991:

DEPARTMENT OF HUMAN SERVICES
COMMISSIONER

Natalie Haas Steffen

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

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred the following appointment as reported in the Journal for January 9, 1992:

DEPARTMENT OF HEALTH
COMMISSIONER

Marlene E. Marschall

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. No. 1666 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Cohen moved that the name of Mr. Metzen be added as a co-author to S.F. No. 27. The motion prevailed.

Mr. Chmielewski moved that the name of Ms. Flynn be added as a co-author to S.F. No. 1666. The motion prevailed.

Mr. Dicklich moved that the names of Messrs. Morse, Finn and Sams be added as co-authors to S.F. No. 1670. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1672. The motion prevailed.

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

Mr. Solon moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1679. The motion prevailed.

Mr. Lessard moved that the name of Mr. Davis be added as a co-author to S.F. No. 1682. The motion prevailed.

Mr. Day moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1701. The motion prevailed.

Mr. Morse introduced—

Senate Resolution No. 88: A Senate resolution congratulating Mildred Sebo on her 100th birthday, January 21, 1992.

Referred to the Committee on Rules and Administration.

Messrs. Dahl and Novak introduced—

Senate Resolution No. 89: A Senate resolution congratulating John McClellan on being named Minnesota Superintendent of the Year for 1991-92.

Referred to the Committee on Rules and Administration.

Messrs. Benson, D.D. and Johnson, D.E. introduced—

Senate Resolution No. 90: A Senate resolution commending Jay D. Summers for 20 years of dedicated and effective service for the city of Rushford.

Referred to the Committee on Rules and Administration.

Ms. Berglin introduced—

Senate Resolution No. 91: A Senate resolution commemorating the life and work of Dr. Martin Luther King, Jr.

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

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

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

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

WHEREAS, his life was ended by assassination; and

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

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

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chair of the Senate Rules and Administration Committee, and present it to representatives of an appropriate group organizing public commemorations of the birth of Dr. Martin Luther King, Jr.

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

Mr. Lessard introduced—

Senate Resolution No. 92: A Senate resolution congratulating the Deer River Warriors football team for their outstanding season.

Referred to the Committee on Rules and Administration.

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

Senate Resolution No. 93: A Senate resolution relating to mileage; setting the miles traveled by members of the Senate in going to and returning from the Capitol.

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

That Senate Resolution No. 21 relating to mileage, Senate Permanent Journal pages 78-80, be amended as follows:

Page 2, line 8, delete:

STORM, Donald A. 42

Page 2, after line 9, insert:

TERWILLIGER, Roy 42

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

The question was taken on the adoption of the resolution.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the resolution was adopted.

Mr. Pogemiller introduced—

Senate Resolution No. 94: A Senate resolution eulogizing Citizen Earl Craig, Jr.

WHEREAS, Minnesota has lost:

a man of great ability;
a teacher;
an eloquent champion of the poor and people of color;
an advocate who empowered the powerless;
a good brother;
an art enthusiast;
a sports fan; and
a gifted public philosopher; and

WHEREAS, citizen Earl Craig, Jr., embodied:

compassion;
sensitivity;
commitment;
a sense of community;
skill and effectiveness in public service;
fairness;
curiosity and passion for ideas;
renaissance-intellect;
activism; and
high principles; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it offer a moment of silence to acknowledge the passing of “a giant” from the Minnesota public service stage.

Mr. Pogemiller moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Moe, R.D. moved that S.F. No. 1609 be withdrawn from the Committee on Economic Development and Housing and re-referred to the Committee on Rules and Administration. The motion prevailed.

Mr. Johnson, D.E. moved that S.F. No. 1637 be withdrawn from the Committee on Finance, given its second reading, and placed on General Orders.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 20 and nays 44, 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	Terwilliger

Those who voted in the negative were:

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

The motion did not prevail.

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. 268 and the veto message thereon be taken from the table. The motion prevailed.

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.

Mr. Marty moved that S.F. No. 268 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the adoption of the motion of Mr. Marty.

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	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	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pappas	Terwilliger
Brataas	Halberg	Luther	Pariseau	Traub
Chmielewski	Hottinger	Marty	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkins	Price	

The motion prevailed. So the bill was repassed and its title agreed to, the objections of the Governor to the contrary notwithstanding.

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. 1619, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Lessard introduced—

S.F. No. 1703: A bill for an act relating to lawful gambling; specifying that certain expenditures for senior citizens and conservation programs are lawful purposes; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mses. Berglin, Flynn and Ranum introduced—

S.F. No. 1704: A bill for an act relating to the city of Minneapolis; regulating the use of the proceeds of the city sales and use tax; permitting their use for school readiness centers; amending Laws 1986, chapter 396, section 4, subdivision 3, as amended.

Referred to the Committee on Local Government.

Mses. Flynn, Berglin and Mr. Kroening introduced—

S.F. No. 1705: A bill for an act relating to the city of Minneapolis; authorizing the city to issue general obligation bonds to finance certain parking, plaza, and other improvements related to federal courts project.

Referred to the Committee on Local Government.

Mrs. Benson, J.E.; Messrs. Hottinger and Johnson, D.E. introduced—

S.F. No. 1706: A bill for an act relating to education; allowing perennial migrant workers resident tuition status; amending Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1707: A bill for an act relating to game and fish; reducing deer license fees for residents under age 18; amending Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Finn, Sams, Samuelson, Solon and Lessard introduced—

S.F. No. 1708: A bill for an act relating to the local government trust fund; providing for payment from the fund for fiscal years 1994 and 1995; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Cohen, Kelly, Marty, Laidig and Pogemiller introduced—

S.F. No. 1709: A bill for an act relating to crimes; imposing a felony penalty for a third impaired driving conviction; expanding the offenses of criminal vehicular homicide and injury to include negligent driving under license revocation, suspension, or cancellation for an impaired driving conviction, or without insurance; amending Minnesota Statutes 1990, sections 169.121, subdivision 3; and 609.21, subdivisions 1, 2, 2a, 3, and 4.

Referred to the Committee on Judiciary.

Mr. Frederickson, D.R. introduced—

S.F. No. 1710: A bill for an act relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants.

Referred to the Committee on Governmental Operations.

Mr. Hottinger introduced—

S.F. No. 1711: A bill for an act relating to retirement; teachers retirement association; authorizing the recomputation of a certain period certain annuity option.

Referred to the Committee on Governmental Operations.

Messrs. Langseth, DeCramer, Mehrkens, Riveness and Ms. Johnson, J.B. introduced—

S.F. No. 1712: A bill for an act relating to transportation; authorizing the issuance of \$150,000,000 in state transportation bonds; appropriating the proceeds for grants to political subdivisions for bridge construction and reconstruction.

Referred to the Committee on Transportation.

Messrs. Finn, Bertram, Samuelson, Stumpf and Lessard introduced—

S.F. No. 1713: A bill for an act relating to taxation; exempting occasional sales of tangible personal property primarily used in a trade or business; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam, Luther, Frank, Berg and Frederickson, D.R. introduced—

S.F. No. 1714: A bill for an act relating to public finance; providing a general limit on the purposes of public debt; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

Mr. Sams, Ms. Johnson, J.B. and Mr. Beckman introduced—

S.F. No. 1715: A bill for an act relating to crime; providing for life imprisonment without release for certain persons convicted of first degree murder or repeat violent sex offenses; requiring consecutive sentences for persons convicted of multiple violent crimes; removing the crime of intentional second degree murder from the sentencing guidelines; providing mandatory minimum sentences for persons convicted of second and third degree murder, certain sex offenses, and first degree assault; reducing the good time allowance for violent offenders; granting the attorney general concurrent authority to prosecute felony offenses; expanding the sex offender registration statute; requiring the commissioner of corrections to determine whether a “psychopathic personality” commitment petition should be filed before releasing a sex offender from prison; authorizing bonding for capital improvements; changing penalties for certain prostitution related crimes; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 244.04, subdivisions 1, 3, and by adding a subdivision; 244.05, subdivisions 4, 5, and by adding a subdivision; 609.15, by adding a subdivision; 609.184, subdivision 2; 609.19; 609.195; 609.221; 609.322; 609.323; 609.342, subdivision 2; 609.343, subdivision 2; and 609.346, subdivision 2a; Minnesota Statutes 1991 Supplement, section 243.166, subdivisions 1, 3, and 6.

Referred to the Committee on Judiciary.

Mrs. Brataas, Mr. Hottinger, Ms. Traub, Mr. Chmielewski and Mrs. Adkins introduced—

S.F. No. 1716: A bill for an act relating to Olmsted county; permitting the appointment of the recorder; authorizing the abolishment and reorganization of the office.

Referred to the Committee on Local Government.

Mr. Frederickson, D.J. introduced—

S.F. No. 1717: A bill for an act relating to Chippewa county; permitting the consolidation of the offices of auditor and treasurer.

Referred to the Committee on Local Government.

Messrs. Frederickson, D.J.; Stumpf; Johnson, D.J.; Langseth and Moe, R.D. introduced—

S.F. No. 1718: A bill for an act relating to retirement; establishing an ambulance service personnel longevity award and incentive program; redirecting proceeds of a driver's license surtax; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 2b; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.05, subdivisions 1 and 3; and 353D.06; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 1991 Supplement, sections 353D.01, subdivisions 1a and 1b; 353D.021; 353D.031; 353D.051; and 353D.091; and Laws 1991, chapter 291, article 19, section 11.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf; Finn; Lessard; Johnson, D.J. and Moe, R.D. introduced—

S.F. No. 1719: A bill for an act relating to motor vehicles; authorizing special license plates for vehicles owned by volunteer ambulance drivers; amending Minnesota Statutes 1990, section 168.12, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Frederickson, D.R.; Cohen; Neuville; Luther and Belanger introduced—

S.F. No. 1720: A bill for an act relating to family law; child support; providing that a motion pending in district court must be decided by the court before any proceedings may be commenced with an administrative law judge; providing that when certain proceedings are pending in district court, child support matters related to those proceedings must be decided by the district court; amending Minnesota Statutes 1990, section 518.551, subdivision 10.

Referred to the Committee on Judiciary.

Mr. Kroening, Ms. Flynn and Ranum introduced—

S.F. No. 1721: A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; amending Laws 1988, chapter 594, section 6.

Referred to the Committee on Local Government.

Mr. Kroening, Ms. Flynn and Ranum introduced—

S.F. No. 1722: A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 1723: A bill for an act relating to traffic regulations; motor vehicles; establishing system for the notification, recording, and collection of delinquent fines for parking violations; prohibiting registration of vehicle of owner who has not paid the fine for a parking violation; prohibiting issuance of warrants for parking violations; imposing a fee; appropriating money; amending Minnesota Statutes 1990, sections 169.95; and 169.99, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 168 and 169.

Referred to the Committee on Transportation.

Mes. Reichgott, Piper, Messrs. Hottinger; Benson, D.D. and Waldorf introduced—

S.F. No. 1724: A bill for an act relating to health; allowing persons who voluntarily provide assistance at the scene of an accident to obtain test results to determine whether they have been exposed to HIV or hepatitis B; amending Minnesota Statutes 1990, section 144.761, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.R.; Frank; Merriam; Berg and Benson, D.D. introduced—

S.F. No. 1725: A bill for an act relating to public investments; providing that certain debt is not approved for investment; amending Minnesota Statutes 1990, section 473.666.

Referred to the Committee on Metropolitan Affairs.

Ms. Pappas, Messrs. Dahl, Hottinger and Mondale introduced—

S.F. No. 1726: A bill for an act relating to education; requiring the higher education coordinating board to study the feasibility of accelerated baccalaureate degree programs.

Referred to the Committee on Education.

Mr. Cohen and Ms. Berglin introduced—

S.F. No. 1727: A bill for an act relating to child support; modifying provisions dealing with the administration, computation, and enforcement of child support; prohibiting state contracts with individuals who are in arrears; expanding provisions dealing with suspension of an occupational license; providing for revocation of hunting, fishing, boat, and drivers' licenses and motor vehicle registrations; providing for notice and payment of medical support; increasing the income cap under the guidelines and limiting pension deductions; providing for consideration of the needs of other children; clarifying support in joint custody cases; requiring life insurance and disability coverage; authorizing an award of educational support; allowing support payments to be made to certain custodians; prohibiting reduction of an award based on needs of other children; including failure to pay support as criminal contempt and modifying criminal nonsupport standards; clarifying income withholding statutes and imposing sanctions against employers; authorizing employers to issue single checks for all obligors; requiring that support be deemed paid when withheld from the obligor's income; authorizing counties to retain one-half of the nonfederal share of child support recoveries that are directly attributable to county effort; authorizing county support enforcement agencies to collect fees; expanding the administrative process for support orders; requiring the commissioner of human services to consult public and private attorneys regarding child support policies; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 86B.401, by adding a subdivision; 97A.485, by adding a subdivision; 168.09, by adding a subdivision; 171.04, by adding a subdivision; 256.019; 257.67, subdivision 3; 518.14; 518.171, subdivisions 3 and 6; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding subdivisions; 518.57, subdivision 1, and by adding subdivisions; 518.611, subdivision 4; 588.20; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 518.551, subdivisions 5 and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1990, section 609.37.

Referred to the Committee on Health and Human Services.

Messrs. Gustafson, Riveness and Frederickson, D.R. introduced—

S.F. No. 1728: A bill for an act relating to elected officials; compensation plans; prohibiting vacation and sick leave for certain elected officials of political subdivisions; amending Minnesota Statutes 1990, section 43A.17, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger, Solon, Metzen and Day introduced—

S.F. No. 1729: A bill for an act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivision 1; 48.38, subdivision 6; 48.84; and 501B.10, subdivision 6.

Referred to the Committee on Commerce.

Mr. Waldorf introduced—

S.F. No. 1730: A bill for an act relating to taxation; increasing the subtraction from taxable income for education expenses; amending Minnesota Statutes 1990, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon; Larson; Samuelson; Moe, R.D. and Waldorf introduced—

S.F. No. 1731: A bill for an act relating to public employment; requiring public employers to include certain former employees in the same insurance pool as active employees; amending Minnesota Statutes 1990, sections 43A.27, subdivision 3; and 471.61, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Larson, DeCramer, Stumpf and Ms. Johnson, J.B. introduced—

S.F. No. 1732: A bill for an act relating to education; modifying the enrollment requirements for school district eligibility for debt service equalization revenue; amending Minnesota Statutes 1991 Supplement, section 124.95, subdivision 2.

Referred to the Committee on Education.

Mr. Price introduced—

S.F. No. 1733: A bill for an act relating to education; requiring the graduation rule to be authorized by law.

Referred to the Committee on Education.

Messrs. Dicklich, Chmielewski, Lessard, Finn and Johnson, D.J. introduced—

S.F. No. 1734: A bill for an act relating to capital improvements; providing funds for environmental learning centers; providing for a bond issue; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mses. Johnston, Ranum, Messrs. Knaak and Spear introduced—

S.F. No. 1735: A bill for an act relating to children; authorizing criminal background checks of professional and volunteer child care providers; establishing procedures for the sharing of criminal record data with child care employers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Messrs. Metzen; Johnson, D.E.; Merriam and Samuelson introduced—

S.F. No. 1736: A bill for an act relating to lawful gambling; removing certain limitations on real estate taxes and assessments as lawful purpose expenditures; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mr. Price introduced—

S.F. No. 1737: A bill for an act relating to crimes; authorizing forfeiture of certain conveyances operated while intoxicated; creating an alcohol victims reparations account; annually appropriating money in the fund to the crime victims reparations board; amending Minnesota Statutes 1990, sections 609.531, subdivision 1; 609.5312, subdivision 1; 609.5315, subdivision 5; 611A.52, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

Messrs. Dicklich, Price, Ms. Piper, Mr. Belanger and Ms. Traub introduced—

S.F. No. 1738: A bill for an act relating to education; appropriating money for the Minnesota institute for the advancement of teaching; requiring a report.

Referred to the Committee on Education.

Messrs. Metzen, Solon, Larson and Mehrkens introduced—

S.F. No. 1739: A bill for an act relating to traffic regulations; providing for exemption to open bottle law; amending Minnesota Statutes 1990, section 169.122, by adding a subdivision.

Referred to the Committee on Transportation.

Ms. Reichgott, Messrs. Luther, Merriam and Cohen introduced—

S.F. No. 1740: A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company

to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; appropriating money; amending Minnesota Statutes 1990, sections 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; and 302A.471, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 322B.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 1741: A bill for an act relating to crimes; driving while intoxicated; changing the chemical dependency assessment charge for driving while intoxicated laws; amending Minnesota Statutes 1990, section 169.126, subdivision 4c; Minnesota Statutes 1991 Supplement, section 169.121, subdivision 5a.

Referred to the Committee on Judiciary.

Messrs. Benson, D.D.; Neuville; Ms. Johnston, Messrs. Day and McGowan introduced—

S.F. No. 1742: A bill for an act relating to health care; providing access to affordable health care; regulating coverages; establishing premium supplements; initiating health care reform procedures; creating a commission and various advisory committees; regulating small employer health benefits; establishing revenue mechanisms including appropriations and taxes; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 136A.1355, subdivisions 2 and 3; 290.01, subdivision 19b; 297.02, by adding a subdivision; and 297.13, subdivision 1; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 62J; 136A; 144; 144A; and 145; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, sections 144.1465; and 144.147, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Health and Human Services.

Messrs. Spear and Finn introduced—

S.F. No. 1743: A bill for an act relating to driving while intoxicated; appropriating money for intensive probation programs for repeat DWI offenders.

Referred to the Committee on Judiciary.

Mrs. Adkins introduced—

S.F. No. 1744: A bill for an act relating to elections; repealing the requirement that voters indicate party preference to vote in the presidential primary; amending Minnesota Statutes 1990, sections 207A.04, subdivision 3; 207A.06, subdivision 1; and 207A.09; repealing Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08.

Referred to the Committee on Elections and Ethics.

Messrs. Cohen, Spear, Knaak, Ms. Ranum and Mr. Neuville introduced—

S.F. No. 1745: A bill for an act relating to civil actions; allowing aggregation of the fault of multiple defendants for the purpose of the comparative negligence statute; amending Minnesota Statutes 1990, section 604.01, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Dicklich introduced—

S.F. No. 1746: A bill for an act relating to alcoholic beverages; providing for the advertising of intoxicating liquor prices; amending Minnesota Statutes 1990, section 340A.507, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Merriam, Chmielewski, Mondale and Frank introduced—

S.F. No. 1747: A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amending Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, subdivision 1.

Referred to the Committee on Employment.

Messrs. Merriam, Cohen and Marty introduced—

S.F. No. 1748: A bill for an act relating to environment; providing reciprocal access to courts and administrative agencies for injuries caused by transboundary pollution; proposing coding for new law in Minnesota Statutes, chapter 543.

Referred to the Committee on Judiciary.

Mr. Vickerman introduced—

S.F. No. 1749: A bill for an act relating to courts; grandparent visitation; clarifying that visitation may be sought after completion of proceedings for dissolution, custody, legal separation, annulment, or determination of parentage; amending Minnesota Statutes 1990, sections 257.022, subdivision 2; and 518.175, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Langseth, Mehrkens and DeCramer introduced—

S.F. No. 1750: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating and allocating motor vehicle excise

tax proceeds to highway and transit purposes; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 174.32; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09.

Referred to the Committee on Transportation.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 1714 be withdrawn from the Committee on Finance and re-referred to the Committee on Metropolitan Affairs. The motion prevailed.

Mr. Hottinger moved that S.F. No. 81 be taken from the table. The motion prevailed.

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.

Mr. Hottinger moved that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a new 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.

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 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 Files, herewith returned: S.F. Nos. 1612 and 1622.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 15, 1992

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. 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, sections 2.031, subdivision 2, as amended; 82B.05, subdivision 1, as amended; 82B.11, subdivision 1, as amended; 82B.17, as amended; 82B.19, subdivision 3, as amended; 92.46, subdivision 1, as amended; 121.11, subdivision 12; 123.3514, subdivision 6, as amended; 124A.03, subdivision 2, as amended; 126.22, subdivision 8, as amended; 136D.90, subdivisions 1 and 2, as amended; 273.13, subdivision 25, as amended; 290.191, subdivision 4; 302A.461, subdivision 2, as amended; 469.101, subdivision 23, as amended; 1991 H.F. No. 719, article 4, section 67, subdivision 1; 1991 S.F. No. 598, article 7, section 9; 1991 H.F. No. 719, article 5, section 72; 1991 H.F. No. 2, article 2, section 7; 1991 H.F. No. 700, article 6, section 67, subdivision 1; 1991 H.F. No. 700, article 1, section 29; 1991 H.F. No. 700, article 4, section 34; 1991 H.F. No. 700, article 6, section 39, subdivision 6; 1991 H.F. No. 700, article 7, section 13, subdivision 1; 1991 H.F. No. 700, article 8, section 20; 1991 H.F. No. 700, article 9, section 33, subdivision 5; 1991 H.F. No. 700, article 9, section 76; Laws 1989, chapter 341, article 1, section 26; Laws 1991, chapter 97, section 15; Laws 1991, chapter 246, sections 4, subdivision 1; 7, subdivision 2; 12, subdivision 1; 17, subdivision 2; 23, subdivision 1; 29, subdivision 2; 31; 34, subdivision 2; 38, subdivision 2; 39, subdivision 2; 40, subdivision 2; 41, subdivision 2, 42, subdivision 1; 43, subdivision 1; 44, subdivision 1; 47, subdivision 2; 49, subdivision 1; 50; 51; 53; 54, subdivision 2; 55, subdivision 2; 56, subdivision 1; 58, subdivision 1; 60, subdivision 1; 62, subdivision 1; 64, subdivision 2; 65, subdivision 1; 66, subdivision 1; 67; 68, subdivision 2; 69, and by adding a section.

Senate File No. 1562 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 15, 1992

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 1562 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1562 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	Finn	Langseth	Neuville	Sams
Beckman	Flynn	Larson	Olson	Samuelson
Belanger	Frank	Lessard	Pappas	Spear
Benson, D.D.	Frederickson, D.J.	Luther	Pariseau	Stumpf
Benson, J.E.	Frederickson, D.R.	Marty	Piper	Terwilliger
Berglin	Hottinger	McGowan	Pogemiller	Traub
Bernhagen	Hughes	Mehrkens	Price	Vickerman
Brataas	Johnson, D.E.	Merriam	Ranum	
Chmielewski	Johnson, D.J.	Metzen	Reichgott	
Cohen	Johnston	Mondale	Renneke	
Davis	Kroening	Morse	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 adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 6: A House concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted January 15, 1992

House Concurrent Resolution No. 6: A House concurrent resolution relating to adjournment for more than three days.

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

1. Upon its adjournment on January 15, 1992, the House of Representatives may set its next day of meeting for Tuesday, February 18, 1992.
2. Upon its adjournment on January 15, 1992, the Senate may set its next day of meeting for Tuesday, February 18, 1992.
3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consents to the adjournment of the other for more than three days.

Mr. Luther moved that House Concurrent Resolution No. 6 be adopted. The motion prevailed. So the resolution was adopted.

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. 1598: A bill for an act relating to elections; changing the year for implementing the presidential primary; eliminating requirement that primary voters identify themselves by party; amending Minnesota Statutes 1990, section 207A.01; repealing Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08.

Senate File No. 1598 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned January 15, 1992

CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 1598 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1598: A bill for an act relating to elections; changing the year for implementing the presidential primary; amending Minnesota Statutes 1990, section 207A.01.

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 45 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson, D.R.	Larson	Neuville	Riveness
Beckman	Gustafson	Lessard	Olson	Sams
Benson, J.E.	Hottinger	Luther	Pappas	Samuelson
Berglin	Hughes	Marty	Pariseau	Spear
Brataas	Johnson, D.E.	Mehrkens	Piper	Stumpf
Davis	Johnson, J.B.	Merriam	Price	Terwilliger
Finn	Johnston	Metzen	Ranum	Traub
Flynn	Kroening	Mondale	Reichgott	Vickerman
Frederickson, D.J.	Langseth	Morse	Renneke	Waldorf

Those who voted in the negative were:

Belanger	Bernhagen	Cohen	Frank	McGowan
Benson, D.D.	Chmielewski	Dicklich	Johnson, D.J.	Pogemiller

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

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 2:00 p.m., Tuesday, February 18, 1992. The motion prevailed.

SIXTY-SEVENTH DAY

St. Paul, Minnesota, Tuesday, February 18, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rabbi Stacy Offner.

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, D.J.	Mehrrens	Price
Beckman	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	Stumpf
Cohen	Hottinger	Luther	Pariseau	Terwilliger
Dahl	Hughes	Marty	Piper	Traub
Davis	Johnson, D.E.	McGowan	Pogemiller	Vickerman

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Belanger and Waldorf were excused from the Session of today.

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Human Services, Annual Report, 1992; Minnesota Sentencing Guidelines Commission, 1992; Department of Transportation, Rail User Loan Guarantee Program, 1992; Minnesota Public Utilities Commission, Electricity from Landfill Gas, 1992; Metropolitan Council, Regional Parks Operation and Maintenance Grants, 1992; Metropolitan Council, Annual Report, 1991; Metropolitan Council, Work Program and Budget, 1992; Department of Public Safety, Minnesota Emergency Response

Plan for High-Level Radioactive Waste Transportation Accidents/Incidents; Advisory Committee on Organ and Tissue Transplants, Annual Report, 1992; Department of Human Services, Alcohol and Drug Abuse Funds, 1991; Minnesota Public Utilities Commission, Implementation of Minnesota's Competitive Telephone Statutes, 1992; Department of Public Safety, Alcohol and Other Drug Abuse Strategy, 1992; Department of Human Services, Telephone Assistance Plan Program, 1991; Department of Administration, Cost Analysis for the Lease of Space for the Department of Trade and Economic Development, 1991; Department of Health, Nursing Home Regulation, Recommendations for Change, 1992; State Board of Investment, Annual Report, 1991; Department of Health, Effect of the Nursing Home Moratorium, 1992; Minnesota Cold Weather Resource Center, Annual Report, 1991; Department of Health, Maternal and Child Health Block Grant Services, 1992; University of Minnesota, Student Study Abroad, 1992; State Auditor of Minnesota, Revenues, Expenditures, and Debt of the Cities in Minnesota, 1990; Department of Administration, Interim Report, Time and Cost of a Framework for an Integrated Infrastructure Management System, 1991; Department of Public Safety, Minnesota Crime Victims Reparations Board, Annual Report, 1991; Department of Administration, State Licensing Data: Report and Recommendations, 1992; Pollution Control Agency, Analysis and Recommendations for Regionalization, 1992; Department of Health, Subacute Care in Minnesota Health Care Facilities, 1989; Department of Human Services, Chemical Dependency Treatment Accountability Plan, 1992; Department of Public Safety, Head Start Transportation Study, 1992; Department of Commerce and the Minnesota Pollution Control Agency, Petroleum Tank Release Clean-up Program, 1992; Minnesota Board on Aging, Resident and Family Advisory Council, Education Program, 1992; Department of Public Safety, Worthless Checks Used for Payment of Motor Vehicle Registration Taxes, 1992; Pollution Control Agency, Sulfur Emissions and Disposition in Minnesota, Biennial Report, 1990; Department of Jobs and Training, Community-Based Services Division, Youth Employment and Training Programs, 1991; Department of Employee Relations, Local Government Pay Equity Compliance Report, 1992; Pollution Control Agency, Minnesota Vehicle Inspection Program, 1991; University of Minnesota, Access for Students with Disabilities, 1992; Department of Natural Resources, E.E.C. 2000: A Study of Environmental Education Centers, 1992; State Board of Investment, External Money Management, 1991; Minnesota State Council on Disability, Annual Report, 1991; Department of Trade and Economic Development, Advantage Minnesota; Department of Trade and Economic Development, International Partnership Program, 1992; Department of Trade and Economic Development, Program of Hong Kong Investment in Minnesota, 1992; Department of Commerce, Use of the Interstate Compact Clause in State Regulation of Insurance.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

January 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

I have vetoed and am returning Chapter 364, Senate File 1598/House File 1731, a bill relating to elections.

For years Minnesota has taken pride in having the nation's highest voter turnout. And that high turnout rate is no accident. We teach the importance of participation in our schools, sponsor statewide voter turnout campaigns, and have eased procedural requirements with election day registration. The creation of a presidential primary is simply the latest step in the continuing effort to expand voter participation in Minnesota's electoral process.

This policy of promoting voter participation has produced outstanding leaders in both political parties, and given us a national reputation for open, effective government. The presidential primary continues that process. The bill repealing it takes us back in the opposite direction. Because I believe that each of us in elected government has an obligation to maximize the opportunity for the average voter to participate in government decisions, I am vetoing Chapter 364 which would cancel the 1992 presidential primary.

Whatever can be said about the caucus system in theory, in practice it has drawn an average participation of about 3% of Minnesota voters. This is simply too small a pool to determine such critical decisions as Minnesota's position on candidates for President of the United States. By the most conservative estimates, the primary will increase that participation 15 - 20 times over. That alone is reason enough to reject legislation cancelling the primary.

I recognize that some communities have expressed concern about the cost of conducting the primary. But the cost of this election is no greater than the cost of any other - no greater than the cost of mayoral, school board, or general elections, no greater than the cost of bond referendums. If cost is sufficient reason to cancel this election, it is sufficient reason to cancel any election. And that is not in the public interest.

Many communities have already included the cost of the primary in their levy. However, having to manage an extremely tight state budget in difficult economic times, I understand the burden that any additional expenditure places on Minnesota counties, cities and townships. Provided that it is part of an overall balanced budget, I would be willing to support legislation that would permit the state to ease this burden by sharing a portion of the cost of conducting the primary.

The remaining arguments raised against the primary are not persuasive. It is not true that the primary is a mere beauty contest. While Democrat delegates will not be bound by its results because of their party rules, Republican delegates are legally bound to cast their votes in accordance with the primary's result. Even on the Democrat side, the results will have significant influence. It is inconceivable to me that Minnesota's delegates to a Democratic National Convention would cast their votes for a candidate different from the one endorsed by their own party members in an open, statewide primary.

The reluctance of some individuals to declare their party affiliation is a reality, and an understandable one. But it is not an argument against holding

a primary. A voter who signs up at a party precinct caucus makes every bit as public a declaration of party affiliation as a voter who registers at a primary. Moreover, analysis of the polling data shows that those who affiliate with political parties have little problem with party declaration. The principal objection comes from independents - and that it is entirely appropriate. They have, after all, chosen not to affiliate with either party. But it is equally appropriate that the decision on party nominees should be reserved for those who have made a decision to affiliate with a party. By choosing to decline party affiliation independents choose to bypass the nominating phase of the election process. But they normally play a decisive role in the general election. The bottom line is that the primary does not force a party declaration on anyone unwilling to make it. This is the same system used in more than thirty other states, and it has served the public well for many years.

Cancelling the primary represents exactly the opposite of what our electoral system has stood for for many decades. I want Minnesota's electoral decisions to be made by the many, not by the few, and am therefore vetoing Chapter 364.

Sincerely,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 1598 and the veto message thereon be laid on the table. The motion prevailed.

January 17, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

I have vetoed Chapter 361, Senate File 1612/House File 1758, the legislation removing the time limit on work readiness benefits.

The work readiness program was established in 1985 to extend benefits similar to General Assistance to able-bodied individuals who would otherwise be ineligible for General Assistance payments. In the 1991 session, both houses of the Minnesota Legislature voted by large margins to set the duration of the program at five months.

Chapter 361, Senate File 1612/House File 1758 would extend that eligibility for an additional three months at a short term cost of \$3.4 million. It is important to recognize that this is only a short term cost because, while the bill would expire on the first of May, it has been described by its advocates as a mechanism to extend benefits until the Legislature returns and can reconsider the issue in February. At that time, the Legislature would have the opportunity to consider making the extension permanent, or extending benefits to 12 months, as was done briefly in the fall of 1990. This bill is simply the first part of a larger effort, the costs of which are difficult to estimate but would likely be extremely significant.

The basic problem with the approach taken in Chapter 361 is that it increases benefits without providing any mechanism to finance the cost of the increase.

And the state has no source of funds from which to finance those increases. The projected fiscal year 1993 shortfall now stands at \$340 million. The reserve fund has been exhausted, and the cash flow account is decreasing so rapidly that Minnesota will be forced to short term borrow as early as April 1992. Every dollar put into this program will have to be cut from another program - in education, health care, housing, etc. - when the budget is ultimately balanced at the end of this legislative session. There is no net gain in benefits - simply a shift from one group to another. This bill focuses only on the group being benefitted and leaves the issue of who will surrender benefits unresolved. This is an unacceptable way to make policy in a time of strained financial resources, and no matter what the cause, the Legislature cannot continue to pass bills which add to the cost of government services without providing any mechanism to finance them.

This situation did not have to arise. I made clear from the outset that a critical issue on this bill, and all other spending bills, would be whether the Legislature provided a financing mechanism along with the benefit increase. It had an opportunity to do that, when it considered an amendment to finance the benefit increase from funds carried over in the legislative reserve account. That amendment was voted down on what amounted to a party line vote. The bill was sent to my desk as an unfunded expenditure, and I have no responsible course of action but to veto it.

A second issue that merits comment is the failure of the bill to address any of the obvious weaknesses in the current program. Although the program is entitled "work readiness", it does little to assist in making the recipients work ready. It provides no job training that would make its applicants more job competitive. In some counties, recipients do receive counseling on resume writing and interview skills. That counseling does have some value. But it does not address the fundamental skill deficiencies that render many of its recipients poor employment prospects.

There probably will never be complete agreement on the proper eligibility period for a program of this type. But in the 1991 session, the Legislature reached a broad consensus on the appropriateness of a five month eligibility term, and we simply do not have the resources to change that decision now. Should the Legislature choose to revisit this issue in February, providing a way to finance any proposed changes so they can fit within the context of a balanced budget will obviously be a critical issue. In the interim, any one exhausting work readiness eligibility will remain eligible for food stamps, general assistance medical care, subsidized housing, and any county benefits that may apply. Those who lose jobs are eligible for up to 26 weeks of unemployment compensation, and anyone exhausting benefits may seek to be reclassified as eligible under general assistance.

For the reasons stated above, I have vetoed and am returning Chapter 361, Senate File 1612/House File 1758.

Sincerely,
Arne H. Carlson, Governor

Mr. Moe, R.D. moved that S.F. No. 1612 and the veto message thereon be laid on the table. The motion prevailed.

January 17, 1992

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. 11, 1562, 1621 and 1622.

Warmest regards,
Arne H. Carlson, Governor

January 23, 1992

The Honorable Dee Long
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 1992 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 1992	Date Filed 1992
11		359	1:51 p.m. January 17	January 17
1621		360	2:48 p.m. January 17	January 17
1622		362	2:38 p.m. January 17	January 17
1562		363	2:45 p.m. January 17	January 17

Sincerely,
Joan Anderson Growe
Secretary of State

REPORTS OF COMMITTEES

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 692: A bill for an act relating to the suburban Hennepin regional park district; setting the size of the board; removing powers of the Hennepin county board to review and veto reserve district budget; amending Minnesota Statutes 1990, sections 383B.68, subdivisions 1, 3, and 4, and by adding a subdivision; and 383B.73, subdivision 1; repealing Minnesota Statutes 1990, sections 383B.68, subdivision 2; and 383B.69.

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

Page 4, lines 7 to 22, reinstate the stricken language

Page 5, line 12, delete "1991" and insert "1992"

Page 5, line 14, delete "*a special*" and insert "*the primary*" and delete "*1991*" and insert "*1992*"

Amend the title as follows:

Page 1, line 3, delete "removing"

Page 1, delete line 4

Page 1, line 5, delete "reserve district budget;"

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. 342: A bill for an act relating to human services; clarifying contested case procedures for applicants for human services licensing; establishing appeal procedures for determinations of maltreatment of minors and vulnerable adults; amending Minnesota Statutes 1990, sections 245A.04, subdivision 3c; and 256.045, subdivisions 1, 4, 6, and by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for April 17, 1991, be amended to read:

"the bill be amended and when so amended the bill do pass and be referred to the Committee on Judiciary". Amendments adopted. Report adopted.

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

S.F. No. 1692 reports the same back with the recommendation that the bill be re-referred as follows:

S.F. No. 1692 to the Committee on Judiciary.

Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 692 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Marty moved that the names of Messrs. Spear and Cohen be added as co-authors to S.F. No. 897. The motion prevailed.

Mr. Benson, D.D. moved that the name of Ms. Johnston be added as a co-author to S.F. No. 1085. The motion prevailed.

Ms. Berglin moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1567. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 1666. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Moe, R.D. be added as

a co-author to S.F. No. 1685. The motion prevailed.

Mr. McGowan moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1692. The motion prevailed.

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

Mr. Lessard moved that the names of Messrs. Metzen, Stumpf, Davis and Mrs. Adkins be added as co-authors to S.F. No. 1703. The motion prevailed.

Mrs. Benson, J.E. moved that the names of Messrs. Frederickson, D.R. and Marty be added as co-authors to S.F. No. 1706. The motion prevailed.

Mr. Stumpf moved that the names of Messrs. Finn and Vickerman be added as co-authors to S.F. No. 1707. The motion prevailed.

Mr. Gustafson moved that the name of Mr. Marty be added as a co-author to S.F. No. 1728. The motion prevailed.

Ms. Johnston moved that the name of Mr. Kelly be added as a co-author to S.F. No. 1735. The motion prevailed.

Mr. Metzen moved that the name of Mr. Finn be added as a co-author to S.F. No. 1736. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 1743. The motion prevailed.

Mr. Merriam moved that the name of Mr. Marty be added as a co-author to S.F. No. 1747. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Marty be added as a co-author to S.F. No. 1749. The motion prevailed.

Mr. Langseth moved that the names of Messrs. Kelly and Novak be added as co-authors to S.F. No. 1750. The motion prevailed.

Mr. Kelly moved that S.F. No. 1021 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

Mr. Dahl moved that S.F. No. 1702 be withdrawn from the Committee on Finance and re-referred to the Committee on Education. The motion prevailed.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 95: A Senate resolution commending Roy Armond Minter on his retirement from a dedicated and effective teaching and coaching career.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 96: A Senate resolution commending Burton Sundberg for his many years of dedicated and effective service.

Referred to the Committee on Rules and Administration.

Mr. Morse introduced—

Senate Resolution No. 97: A Senate resolution congratulating Palma Hesselgrave of Dakota, Minnesota, on the celebration of her 100th birthday.

Referred to the Committee on Rules and Administration.

Mr. Price introduced—

Senate Resolution No. 98: A Senate resolution congratulating the Woodbury High School Girls' Swim Team on winning the State Championship.

Referred to the Committee on Rules and Administration.

Mr. Laidig introduced—

Senate Resolution No. 99: A Senate resolution extending congratulations to the Stillwater Area Chamber of Commerce on the occasion of the 100th anniversary of its incorporation.

Referred to the Committee on Rules and Administration.

Mr. DeCramer introduced—

Senate Resolution No. 100: A Senate resolution congratulating Hugo Goehle of Hills, Minnesota, on his retirement.

Referred to the Committee on Rules and Administration.

Mr. Hottinger introduced—

Senate Resolution No. 101: A Senate resolution commemorating the 125th anniversary of the founding of Mankato State University.

Referred to the Committee on Rules and Administration.

Mr. Berg introduced—

Senate Resolution No. 102: A Senate resolution congratulating the Chokio-Alberta High School football team for winning the 1991 Prep Bowl X State High School 9-Man Football championship.

Referred to the Committee on Rules and Administration.

Mr. Knaak introduced—

Senate Concurrent Resolution No. 8: A Senate concurrent resolution relating to the adoption of a bill of rights for all children in the State of Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Kroening moved that S.F. No. 1721 be withdrawn from the Committee on Local Government and re-referred to the Committee on Economic Development and Housing. 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.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1598 and the veto message thereon be taken from the table. The motion prevailed.

S.F. No. 1598: A bill for an act relating to elections; changing the year for implementing the presidential primary; amending Minnesota Statutes 1990, section 207A.01.

Mr. Marty moved that S.F. No. 1598 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the adoption of the motion of Mr. Marty.

The roll was called, and there were yeas 56 and nays 9, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bernhagen	Chmielewski	Frank	Knaak	Terwilliger
Brataas	Dicklich	Johnson, D.J.	Pogemiller	

The motion prevailed. So the bill was repassed and its title was agreed to, the objections of the Governor to the contrary notwithstanding.

CALENDAR

S.F. No. 1619: A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mrs. Adkins introduced—

S.F. No. 1751: A bill for an act relating to motor vehicles; authorizing issuance of special license plates for square and round dancers; amending Minnesota Statutes 1990, section 168.12, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Morse and Lessard introduced—

S.F. No. 1752: A bill for an act relating to appropriations; granting an extension of time to secure federal matching appropriations for an upper Mississippi river environmental education center.

Referred to the Committee on Finance.

Messrs. Dahl, Pogemiller, Meses. Ranum and Traub introduced—

S.F. No. 1753: A bill for an act relating to education; authorizing certain alternative programs to receive certain additional revenue with certain conditions; amending Minnesota Statutes 1991 Supplement, section 126.23.

Referred to the Committee on Education.

Messrs. Finn, Hottinger, Ms. Reichgott, Messrs. Knaak and Neville introduced—

S.F. No. 1754: A bill for an act relating to probate; updating the uniform testamentary additions to trusts act; amending Minnesota Statutes 1990, section 525.223.

Referred to the Committee on Judiciary.

Messrs. Knaak, Waldorf and Cohen introduced—

S.F. No. 1755: A bill for an act relating to local government; allowing the city of White Bear Lake to purchase the Manitou Ridge Golf Course from Ramsey county; amending Minnesota Statutes 1990, section 383A.07, by adding a subdivision.

Referred to the Committee on Local Government.

Messrs. Frederickson, D.R.; Merriam; Johnson, D.E.; Samuelson and Neuville introduced—

S.F. No. 1756: A bill for an act relating to civil commitment; authorizing new procedures for return of certain patients who are absent from treatment facilities without authorization; requiring the commissioner of public safety to enable information on absent patients to be entered into the criminal justice information system; amending Minnesota Statutes 1990, section 253B.23, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Messrs. Riveness, Luther, Stumpf, Hottinger and Davis introduced—

S.F. No. 1757: A bill for an act relating to crime; providing for life imprisonment without release for persons who commit first degree murder involving forcible criminal sexual conduct; amending Minnesota Statutes 1990, sections 244.05, subdivisions 4 and 5; and 609.184, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Cohen and Luther introduced—

S.F. No. 1758: A bill for an act relating to state government; department of public safety; providing for the appointment of the superintendent of criminal apprehension, the chief supervisor of the state patrol, and the state fire marshal to fixed terms from lists of candidates submitted by advisory committees; establishing the composition of the advisory committees; amending Minnesota Statutes 1990, sections 299C.01, subdivision 2; 299D.01, subdivision 1; and 299E.01, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Renneke; Johnson, D.E.; Mrs. Brataas, Messrs. Belanger and Mehrkens introduced—

S.F. No. 1759: A bill for an act relating to health care; providing access to affordable health care; regulating coverages; establishing premium supplements; initiating health care reform procedures; creating a commission and various advisory committees; regulating small employer health benefits; establishing revenue mechanisms including appropriations and taxes; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 136A.1355, subdivisions 2 and 3; 290.01, subdivision 19b; 297.02, by adding a subdivision; and 297.13, subdivision 1; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 62J; 136A; 144; 144A; and 145; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, sections 144.1465; and 144.147, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1760: A bill for an act relating to lawful gambling; authorizing expenditures on facilities and activities for persons age 55 or over as a lawful purpose; amending Minnesota Statutes 1991 Supplement, section

349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Messrs. Johnson, D.E. and Bernhagen introduced—

S.F. No. 1761: A bill for an act relating to regional development commissions; permitting annual audits by a certified public accountant; amending Minnesota Statutes 1990, section 462.396, subdivision 4.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman introduced—

S.F. No. 1762: A bill for an act relating to crimes; creating the felony offense of assaulting a protective agent or security guard who is engaged in performing occupational duties; amending Minnesota Statutes 1990, section 609.2231, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Beckman, Vickerman, Ms. Johnson, J.B. and Mr. Hottinger introduced—

S.F. No. 1763: A bill for an act relating to retirement; establishing an ambulance service personnel longevity award and incentive program; redirecting proceeds of a driver's license surtax; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 2b; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.05, subdivisions 1 and 3; and 353D.06; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 1991 Supplement, sections 353D.01, subdivisions 1a and 1b; 353D.021; 353D.031; 353D.051; and 353D.091; and Laws 1991, chapter 291, article 19, section 11.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1764: A bill for an act relating to insurance; homeowners; regulating nonrenewals, reductions in the limits of coverage, or elimination of coverage; amending Minnesota Statutes 1990, section 65A.29, subdivision 8.

Referred to the Committee on Commerce.

Messrs. Finn, Sams, Bertram, Samuelson and Lessard introduced—

S.F. No. 1765: A bill for an act relating to lawful gambling; establishing a new class of license for organizations with less than \$10,000 gross bingo receipts in a year; imposing limits on holders of the license; directing the lawful gambling control board to simplify record keeping requirements for organizations not required to use numbered bingo cards; amending Minnesota Statutes 1990, sections 349.16, subdivisions 2 and 6; 349.18, by adding a subdivision; and 349.19, subdivision 1; Minnesota Statutes 1991 Supplement, sections 349.15; and 349.165, subdivisions 1 and 3.

Referred to the Committee on Gaming Regulation.

Mr. Finn introduced—

S.F. No. 1766: A bill for an act relating to Hubbard county; authorizing the private sale of certain land which was exchanged for tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Messrs. Larson and Langseth introduced—

S.F. No. 1767: A bill for an act relating to highways; changing description of a route in the state highway system.

Referred to the Committee on Transportation.

Mr. Laidig introduced—

S.F. No. 1768: A bill for an act relating to crimes; requiring the court to order sentences to run consecutively for crimes committed by inmates at state correctional facilities; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 1769: A bill for an act relating to taxation; repealing the local option sales tax; abolishing the local government trust fund; amending Minnesota Statutes 1991 Supplement, sections 3.862, subdivisions 2 and 3; 273.1398, subdivision 7; 297A.211, subdivision 3; 297A.24, subdivision 1; 297A.259; 297A.44, subdivision 1; 297A.45, subdivisions 2, 3, and 4; and 477A.03, subdivision 1; repealing Minnesota Statutes 1991 Supplement, sections 16A.711; 273.1381; 297A.021; 297A.14, subdivision 3; 297A.24, subdivision 2; 297A.44, subdivision 4; 297B.09, subdivision 3; and 477A.014, subdivision 1a; and Laws 1991, chapter 291, article 2, sections 3, 4, and 17.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frank introduced—

S.F. No. 1770: A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

Referred to the Committee on Metropolitan Affairs.

Mr. Metzen introduced—

S.F. No. 1771: A bill for an act relating to education; providing fund balance limit exceptions and levy and aid adjustments to the South St. Paul school district.

Referred to the Committee on Education.

Mr. Neuville introduced—

S.F. No. 1772: A bill for an act relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

Referred to the Committee on Environment and Natural Resources.

Mr. Gustafson introduced—

S.F. No. 1773: A bill for an act relating to cities; permitting the appointment of citizen budget advisory committees; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Local Government.

Ms. Johnson, J.B.; Messrs. Johnson, D.J.; Moe, R.D. and Marty introduced—

S.F. No. 1774: A bill for an act relating to energy; providing incentives for the use of renewable sources of electric energy; exempting wind energy conversion systems from sales taxation; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Messrs. Davis, Sams, Mrs. Adkins, Ms. Piper and Mr. DeCramer introduced—

S.F. No. 1775: A bill for an act relating to retirement; establishing an ambulance service personnel longevity award and incentive program; redirecting proceeds of a driver's license surtax; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 2b; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.05, subdivisions 1 and 3; and 353D.06; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 1991 Supplement, sections 353D.01, subdivisions 1a and 1b; 353D.021; 353D.031; 353D.051; and 353D.091; and Laws 1991, chapter 291, article 19, section 11.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 1776: A bill for an act relating to education; increasing the maximum general education revenue generated by certain alternative high school program pupils; clarifying the required number of school days in the school year; amending Minnesota Statutes 1990, section 120.101, subdivision 5; Minnesota Statutes 1991 Supplement, sections 120.101, subdivision 5b; and 124.19, subdivisions 1, 1b, and 7.

Referred to the Committee on Education.

Mr. Samuelson introduced—

S.F. No. 1777: A bill for an act relating to the town of Lake Edward; providing for withdrawal from watershed districts.

Referred to the Committee on Environment and Natural Resources.

Mr. Laidig introduced—

S.F. No. 1778: A resolution memorializing Congress to refrain from imposing upon the states' constitutional authority to regulate traffic and motor vehicle safety within their respective boundaries, and specifically, to refrain from mandating the passage of state laws requiring the use of motorcycle helmets, safety belts, and child restraint systems.

Referred to the Committee on Transportation.

Messrs. Knaak and Kelly introduced—

S.F. No. 1779: A bill for an act relating to the environment; pesticides; requiring that notice be given before application of a pesticide in surface waters of the state; proposing coding for new law in Minnesota Statutes, chapter 18B.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty introduced—

S.F. No. 1780: A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

Referred to the Committee on Governmental Operations.

Mrs. Adkins introduced—

S.F. No. 1781: A bill for an act relating to taxation; property; exempting the city of Otsego from levy limits.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 1782: A bill for an act relating to human services; clarifying and expanding restrictions on giving away assets or income to gain eligibility for medical assistance; requiring an institutionalized spouse on medical assistance to use available income and assets for health care and personal needs; permitting medical assistance liens against real property; prohibiting trust clauses that make trust assets unavailable to a beneficiary if the beneficiary becomes eligible for medical assistance; amending Minnesota Statutes 1990, sections 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 501B.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf, Hottinger, Mses. Johnson, J.B. and Johnston introduced—

S.F. No. 1783: A bill for an act relating to human services; exempting from licensure accredited Montessori prekindergarten programs; amending Minnesota Statutes 1991 Supplement, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Waldorf introduced—

S.F. No. 1784: A bill for an act relating to motor vehicles; adding vehicles to classic car category for vehicle registration purposes; amending Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b.

Referred to the Committee on Transportation.

Mr. Luther introduced—

S.F. No. 1785: A bill for an act relating to education; modifying the computation for capital expenditure facilities revenue; amending Minnesota

Statutes 1990, section 124.243, subdivision 2.

Referred to the Committee on Education.

Mr. Frederickson, D.R. introduced—

S.F. No. 1786: A bill for an act relating to education; modifying the fund balance reduction; providing for a retroactive effective date; amending Minnesota Statutes 1990, section 124A.26, by adding a subdivision.

Referred to the Committee on Education.

Mr. Benson, D.D. introduced—

S.F. No. 1787: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Fillmore county.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau, Mr. Neuville, Ms. Johnston and Mr. McGowan introduced—

S.F. No. 1788: A bill for an act relating to child witnesses; expanding the circumstances under which special arrangements may be made for taking testimony from child witnesses in court proceedings; amending Minnesota Statutes 1990, section 595.02, subdivision 4.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 1789: A bill for an act relating to health; extending the deadline for commencing construction of a nursing home project that was granted a nursing home moratorium exception; amending Minnesota Statutes 1990, section 144A.073, subdivision 3a.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1790: A bill for an act relating to housing; modifying requirements for lead education, assessment, screening, and abatement; transferring rule authority from the commissioner of the pollution control agency to the commissioner of health; establishing a lead abatement account in the housing development fund; creating a lead abatement and training program; establishing a lead abatement program; creating a lead fund; establishing a lead abatement fee on petroleum storage tanks; establishing a paint tax; providing penalties; amending Minnesota Statutes 1990, sections 144.871, subdivisions 6, 8, and by adding subdivisions; 144.872, subdivisions 1, 2, 4, and by adding a subdivision; 144.873, subdivisions 2 and 3; 144.876; and 144.878, subdivision 2, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144.871, subdivision 2; 144.873, subdivision 1; 144.874, subdivisions 1 and 12; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapters 115C; and 268; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4.

Referred to the Committee on Health and Human Services.

Mr. Marty, Ms. Ranum and Mr. Spear introduced—

S.F. No. 1791: A bill for an act relating to criminal justice; providing gender balance on the sentencing guidelines commission; amending Minnesota Statutes 1991 Supplement, section 244.09, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf, Stumpf and Pogemiller introduced—

S.F. No. 1792: A bill for an act relating to retirement; public employees police and fire fund; modifying member and employer contribution rates to reflect actuarial funding requirements; amending Minnesota Statutes 1990, section 353.65, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf and Morse introduced—

S.F. No. 1793: A bill for an act relating to retirement; legislators and elective state officers retirement plans; establishing a retirement fund for each plan; establishing concurrent employer retirement contributions for each plan; establishing special additional employer contribution for each plan; transferring a portion of an existing appropriation; appropriating money; amending Minnesota Statutes 1990, sections 3A.03; 3A.11, subdivision 1; and 352C.09, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 3A and 352C; repealing Minnesota Statutes 1990, sections 3A.02, subdivision 3; and 352C.10.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 1794: A bill for an act relating to state government; appointments of department heads and members of administrative boards and agencies; clarifying procedures and requirements; amending Minnesota Statutes 1990, sections 15.0575, subdivision 4; 15.06, subdivision 5; and 15.066, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Samuelson introduced—

S.F. No. 1795: A bill for an act relating to education; technical and community colleges; authorizing bonds for construction of buildings at the joint campus of the technical and community colleges at Brainerd; appropriating money.

Referred to the Committee on Finance.

Mrs. Benson, J.E.; Messrs. Larson; Frederickson, D.R. and Terwilliger introduced—

S.F. No. 1796: A bill for an act relating to health care; providing access to affordable health care; regulating coverages; establishing premium supplements; initiating health care reform procedures; creating a commission and various advisory committees; regulating small employer health benefits;

establishing revenue mechanisms including appropriations and taxes; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 136A.1355, subdivisions 2 and 3; 290.01, subdivision 19b; 297.02, by adding a subdivision; and 297.13, subdivision 1; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 62E; 62J; 136A; 144; 144A; and 145; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, sections 144.1465; and 144.147, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Health and Human Services.

Mses. Berglin and Piper introduced—

S.F. No. 1797: A bill for an act relating to health; updating dates, clarifying ambiguous and inconsistent provisions, and explaining the effect of delayed appropriations in the 1991 health care access legislation, if the governor's veto is overridden; amending Laws 1991, chapter 335, article 8, section 10; proposing coding for new law in Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Mr. Neuville, Ms. Johnston, Mrs. Benson, J.E. and Mr. Laidig introduced—

S.F. No. 1798: A bill for an act relating to crimes; expanding the crime of second degree murder to include certain deaths caused by domestic assault; amending Minnesota Statutes 1990, section 609.19.

Referred to the Committee on Judiciary.

Mr. Neuville, Mrs. Pariseau, Ms. Olson, Messrs. Terwilliger and Day introduced—

S.F. No. 1799: A bill for an act relating to children; authorizing criminal background checks of professional and volunteer child care providers; establishing procedures for the sharing of criminal record data with child care employers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Mr. Neuville, Mrs. Pariseau, Messrs. Mehrkens and Day introduced—

S.F. No. 1800: A bill for an act relating to education; providing for a transportation levy for late activity buses and a levy adjustment; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Hottinger, Solon, Metzen, Belanger and Samuelson introduced—

S.F. No. 1801: A bill for an act relating to commerce; motor vehicle sale and distribution; regulating payments upon franchise termination, cancellation, or nonrenewal; amending Minnesota Statutes 1990, section 80E.09, subdivision 1.

Referred to the Committee on Commerce.

Mr. Knaak introduced—

S.F. No. 1802: A bill for an act relating to telephones; allowing telephone companies to offer caller identification service to its subscribers; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Energy and Public Utilities.

Mr. Chmielewski introduced—

S.F. No. 1803: A bill for an act relating to cemeteries; providing for burials in the winter season; proposing coding for new law in Minnesota Statutes, chapter 306.

Referred to the Committee on Veterans and General Legislation.

Ms. Traub and Mr. Luther introduced—

S.F. No. 1804: A bill for an act relating to occupations and professions; requiring locksmiths and keymakers to be licensed; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Ms. Traub and Mr. Kelly introduced—

S.F. No. 1805: A bill for an act relating to human services; requiring reporting of legally blind persons to Minnesota state services for the blind and visually handicapped; proposing coding for new law in Minnesota Statutes, chapter 248.

Referred to the Committee on Health and Human Services.

Mrs. Pariseau, Messrs. Berg and Johnson, D.E. introduced—

S.F. No. 1806: A bill for an act relating to lawful gambling; authorizing expenditure of net gambling profits on noncash awards to organization members and other persons for donations of blood and other community service; amending Minnesota Statutes 1991 Supplement, sections 349.12, subdivision 25; and 349.154, subdivision 2.

Referred to the Committee on Gaming Regulation.

Mr. Mondale introduced—

S.F. No. 1807: A bill for an act relating to public safety; enhancing penalties for certain repeat harassment offenses; increasing role of prosecutor in seeking restitution for victims of crime; requiring consideration of fact that victim is a stranger as aggravating factor under the sentencing guidelines; amending Minnesota Statutes 1990, sections 609.746, subdivision 2; 611A.034; and 611A.04, subdivisions 1 and 1a.

Referred to the Committee on Judiciary.

Mr. Mondale introduced—

S.F. No. 1808: A bill for an act relating to assaults; providing for the establishment of a homicide investigation and tracking system within the bureau of criminal apprehension; creating a domestic abuse data system;

providing for restitution under orders for protection; providing for statewide enforcement and verification of orders for protection; classifying the residence address and telephone number in driver's license and motor vehicle registration records as private data; appropriating money; amending Minnesota Statutes 1990, sections 13.69, subdivision 1; 299C.09; 299C.10; 299C.11; 299C.12; and 518B.01, subdivision 13, and by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 518B.01, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapter 299C; repealing Minnesota Statutes 1990, sections 168.346; and 171.12, subdivision 7.

Referred to the Committee on Judiciary.

Mr. Mondale introduced—

S.F. No. 1809: A bill for an act relating to civil actions; providing for immunity and dismissal of actions against individuals arising out of the exercise of certain constitutional rights in governmental proceedings; proposing coding for new law as Minnesota Statutes, chapter 554.

Referred to the Committee on Judiciary.

Mr. Mondale, Ms. Pappas and Mr. Novak introduced—

S.F. No. 1810: A bill for an act relating to metropolitan government; providing for additional uses for light rail transit property; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Transportation.

Mses. Pappas, Traub, Ranum and Flynn introduced—

S.F. No. 1811: A resolution memorializing Congress to propose an amendment to the Budget Enforcement Act of 1991, allowing for transfers of savings in the military account to the domestic budget.

Referred to the Committee on Health and Human Services.

Mses. Johnson, J.B. and Traub introduced—

S.F. No. 1812: A bill for an act relating to violence; establishing a state violence prevention advisory council; requiring a community violence prevention task force to be established in school districts within the community education program; authorizing revenue for community violence prevention programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 8; 121; and 124.

Referred to the Committee on Education.

Ms. Traub introduced—

S.F. No. 1813: A bill for an act relating to education; allowing children to attend school for 30 days without participating in early childhood developmental screening; allowing parents to decline to provide certain information without penalty; adding health history as an optional screening component; adding height and weight as a required component; amending Minnesota Statutes 1991 Supplement, section 123.702, subdivisions 1, 1a, and 1b.

Referred to the Committee on Education.

Ms. Traub introduced—

S.F. No. 1814: A bill for an act relating to education; requiring a study of health needs of students; appropriating money.

Referred to the Committee on Education.

Ms. Traub, Mr. Dahl and Ms. Johnson, J.B. introduced—

S.F. No. 1815: A bill for an act relating to education; requiring school districts to develop and implement violence prevention programs; requiring in-service education for all district staff; establishing a violence prevention and sexual harassment curriculum resource center; reserving general education and early childhood family education revenue for in-service education for violence prevention programs; increasing the general education formula allowance; increasing the early childhood family education allowance; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 124.2711, subdivisions 1 and 4; 124A.22, subdivision 2; 124A.29, subdivision 1; and 126.70, subdivisions 1 and 2a; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1816: A bill for an act relating to health; extending the approval expiration date for the moratorium exception process; modifying property reimbursement for homes granted a moratorium exception; amending Minnesota Statutes 1990, sections 144A.073, subdivision 3; and 256B.431, by adding a subdivision; repealing Laws 1991, chapter 292, article 4, section 77, subdivision 9.

Referred to the Committee on Health and Human Services.

Mses. Berglin and Piper introduced—

S.F. No. 1817: A bill for an act relating to human services; establishing a hold-harmless provision concerning the property-related rate for nursing homes; authorizing the recognition of debt from sales occurring after May 22, 1983; establishing a repair and maintenance rate; establishing an equity incentive for major additions and replacements; establishing a nursing home valuation process; appropriating money; amending Minnesota Statutes 1990, section 256B.431, by adding subdivisions.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1818: A bill for an act relating to child support; prohibiting downward deviations from the child support guidelines; allocating savings for county child support enforcement administrative costs; amending Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 1819: A bill for an act relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants; amending Minnesota Statutes 1990, section 353.37, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger, Vickerman, Sams, Bertram and Berg introduced—

S.F. No. 1820: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.095; 79.251, subdivision 4; 79.252, subdivisions 1 and 3; 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, 8, and by adding subdivisions; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 7, 9, and 11; 176.103, subdivision 3; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.131, subdivisions 1, 1a, 2, 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; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.179; 176.181, subdivisions 3 and 7; 176.182; 176.183, subdivision 1; 176.185, subdivision 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivisions 4 and 5; 176.215, by adding a subdivision; 176.221, subdivisions 3, 3a, 6a, and 7; 176.231, subdivision 10; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivisions 1, 6, and 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; 182.666, subdivision 7; 268.08, subdivision 3; 353.33, subdivision 5; and 480B.01, subdivisions 1 and 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing 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; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 20, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-EIGHTH DAY

St. Paul, Minnesota, Thursday, February 20, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Karen Geisendorfer-Lindgren.

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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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.

MEMBERS EXCUSED

Mr. Waldorf was excused from the Session of today.

REPORTS OF COMMITTEES

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1747: A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amending Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, subdivision 1.

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

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

S.F. No. 1609: A bill for an act relating to metropolitan affairs; prohibiting certain metropolitan airports commission bond proceeds from being used to pay down leveraged buy-out debt; amending Minnesota Statutes 1991 Supplement, section 473.667, subdivision 11.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Economic Development and Housing. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1747 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Flynn moved that the name of Mr. Storm be stricken and the name of Mr. Laidig be added as a co-author to S.F. No. 429. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Knaak be added as a co-author to S.F. No. 1740. The motion prevailed.

Mr. Kelly moved that the name of Mr. Benson, D.D. be added as a co-author to S.F. No. 1741. The motion prevailed.

Mr. Novak moved that his name be stricken as a co-author to S.F. No. 1750. The motion prevailed.

Mrs. Adkins moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 1751. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Metzen and Lessard be added as co-authors to S.F. No. 1760. The motion prevailed.

Mr. Laidig moved that the name of Mr. Price be added as a co-author to S.F. No. 1768. The motion prevailed.

Mr. Laidig moved that the names of Messrs. McGowan and Bertram be added as co-authors to S.F. No. 1778. The motion prevailed.

Ms. Berglin moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1782. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Knaak be added as a co-author to S.F. No. 1783. The motion prevailed.

Mr. Neuville moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1800. The motion prevailed.

Mr. Knaak moved that the names of Messrs. Finn, Terwilliger, Gustafson and Mrs. Benson, J.E. be added as co-authors to S.F. No. 1802. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1803. The motion prevailed.

Ms. Traub moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 1805. The motion prevailed.

Mr. Mondale moved that the name of Ms. Flynn be added as a co-author to S.F. No. 1810. The motion prevailed.

Ms. Traub moved that the name of Mr. Morse be added as a co-author to S.F. No. 1813. The motion prevailed.

Ms. Traub moved that the names of Mr. Spear and Ms. Ranum be added as co-authors to S.F. No. 1815. The motion prevailed.

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

Senate Resolution No. 103: A Senate resolution commemorating the life and work of Robert R. Dunlap.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 104: A Senate resolution congratulating Christopher P. J. Ness of Detroit Lakes, Minnesota, for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 105: A Senate resolution congratulating Clarence W. Peterson on his retirement after 43 years of service to the Lake Region Cooperative Electrical Association.

Referred to the Committee on Rules and Administration.

Mr. Neuville introduced—

Senate Resolution No. 106: A Senate resolution recognizing the declaration of "Support Your National Guard Month" by the city of Faribault and urging Minnesotans to honor the Minnesota National Guard during the month of April 1992.

Referred to the Committee on Rules and Administration.

Messrs. Benson, D.D.; Davis and DeCramer introduced—

Senate Resolution No. 107: A Senate resolution commemorating the 125th anniversary of the founding of the National Grange, the nation's oldest general farm organization, and commending the National Grange for its accomplishments.

Referred to the Committee on Rules and Administration.

Mr. Merriam moved that S.F. No. 1747, on General Orders, be stricken and re-referred to the Committee on Judiciary. 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. No. 1666, which the committee recommends to pass with the following amendment offered by Mr. Gustafson:

Page 3, line 9, delete "\$25,000" and insert "\$15,000"

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.

MOTIONS AND RESOLUTIONS - CONTINUED

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of today's Session. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Moe, R.D. moved that S.F. No. 1596 and the veto message thereon be taken from the table. The motion prevailed.

S.F. No. 1596: A bill for an act relating to technical and other corrections to the legislative redistricting plan; amending Laws 1991, chapter 246.

Mr. Pogemiller moved that S.F. No. 1596 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the adoption of the motion of Mr. Pogemiller.

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	Terwilliger
Benson, D.D.	Frederickson, D.R.	Knaak	Neuville	
Benson, J.E.	Gustafson	Laidig	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Renneke	

The motion prevailed. So the bill was repassed and its title was agreed to, the objections of the Governor to the contrary notwithstanding.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mses. Berglin, Traub, Piper and Mr. Finn introduced—

S.F. No. 1821: A bill for an act relating to children; establishing a general preference for adoption by relatives; amending Minnesota Statutes 1990, section 259.28, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Spear and Marty introduced—

S.F. No. 1822: A bill for an act relating to health; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; modifying provisions dealing with children in need of protection or services and termination of parental rights; amending Minnesota Statutes 1990, sections 144.651, by adding a subdivision; 260.191, subdivision 1; 260.221, by adding a subdivision; and 626.556, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 145A.

Referred to the Committee on Judiciary.

Ms. Johnson, J.B.; Messrs. Merriam, Morse, Vickerman and Riveness introduced—

S.F. No. 1823: A bill for an act relating to government purchasing; requiring the state to purchase, use, and require contractors to use packing materials made of renewable resources; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations.

Messrs. Solon, Samuelson, Day, Ms. Traub and Mr. Hottinger introduced—

S.F. No. 1824: A bill for an act relating to health; regulating ionizing radiation; delaying the effective date of existing quality assurance rules; requiring the adoption of quality assurance rules for the practice of dentistry.

Referred to the Committee on Health and Human Services.

Mses. Berglin and Pappas introduced—

S.F. No. 1825: A bill for an act relating to the Minnesota supplemental aid program; expanding assistance for mentally ill persons in shared housing; amending Minnesota Statutes 1990, section 256D.44, subdivisions 2 and 3.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 1826: A bill for an act relating to education; restricting school district levy referenda to the year before the levy increase commences; amending Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 1827: A bill for an act relating to crimes; authorizing the commissioner of public safety to suspend the driver's license of a person that has been charged with an offense constituting a petty misdemeanor for which a guilty plea was entered for failure to appear in court; amending Minnesota Statutes 1990, section 169.92, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Vickerman, Mrs. Adkins, Messrs. Hottinger, Bernhagen and Renneke introduced—

S.F. No. 1828: A bill for an act relating to local planning and zoning; providing for the administration of land use controls; defining authority of local government units; providing for procedures and records; providing penalties; amending Minnesota Statutes 1990, section 473.858, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 465A; repealing Minnesota Statutes 1990, sections 366.10; 366.11; 366.12; 366.13; 366.14; 366.15; 366.16; 366.17; 366.18; 366.181; 394.21; 394.22; 394.23; 394.24; 394.25; 394.26; 394.27; 394.28; 394.29; 394.30; 394.301; 394.312; 394.32; 394.33; 394.34; 394.35; 394.36; 394.361; 394.362; 394.37; 462.351; 462.352; 462.353; 462.354; 462.355; 462.356; 462.357; 462.358; 462.3585; 462.359; 462.3595; 462.3597; 462.36; 462.361; 462.362; 462.363; and 462.364.

Referred to the Committee on Local Government.

Messrs. Dahl; Dicklich; Johnson, D.J. and Lessard introduced—

S.F. No. 1829: A bill for an act relating to the environment; changing provisions relating to waste tires; appropriating money; amending Minnesota Statutes 1990, sections 115A.90, by adding a subdivision; 115A.908, subdivision 3; 115A.912; 115A.913; and 115A.914.

Referred to the Committee on Environment and Natural Resources.

Messrs. Novak, Lessard, Knaak and Dahl introduced—

S.F. No. 1830: A bill for an act relating to water; creating an exemption from certain requirements relating to once-through water use permits; amending Minnesota Statutes 1990, section 103G.271, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

Ms. Olson, Messrs. Merriam; Frederickson, D.R.; Dahl and Lessard introduced—

S.F. No. 1831: A bill for an act relating to the environment; prohibiting the sale of petroleum-based sweeping compound; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Environment and Natural Resources.

Mses. Traub, Piper, Flynn, Berglin and Mr. Vickerman introduced—

S.F. No. 1832: A bill for an act relating to insurance; accident and health; prohibiting termination or reduction of coverage for a fibrocystic condition; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Messrs. Finn, Marty, Mses. Berglin and Ranum introduced—

S.F. No. 1833: A bill for an act relating to juvenile justice; defining “child in need of protection services” and “child abuse”; amending Minnesota Statutes 1990, section 260.015, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 260.015, subdivision 2a.

Referred to the Committee on Judiciary.

Messrs. Finn, Dahl, Spear and Ms. Ranum introduced—

S.F. No. 1834: A bill for an act relating to driver education; requiring driver education courses in public schools and private driver training schools to offer at least two hours instruction on abuse of alcohol and drugs; amending Minnesota Statutes 1990, section 171.04, subdivision 1.

Referred to the Committee on Transportation.

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

S.F. No. 1835: A bill for an act relating to public debt; providing for the construction of the Northwest Juvenile Training Center; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Kelly, Cohen, Mses. Flynn, Pappas and Mrs. Brataas introduced—

S.F. No. 1836: A bill for an act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections 53A.02; 53A.04; and 53A.05.

Referred to the Committee on Commerce.

Mr. Morse, Mrs. Benson, J.E.; Messrs. Hottinger, Finn and DeCramer introduced—

S.F. No. 1837: A bill for an act relating to retirement; higher education individual retirement account plan; amending Minnesota Statutes 1990, sections 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota

Statutes 1991 Supplement, section 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 354B.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger, Beckman, Vickerman, Renneke and Day introduced—

S.F. No. 1838: A bill for an act relating to education; extending interactive television levy authority to school districts in economic region nine; amending Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g.

Referred to the Committee on Education.

Mr. Riveness and Ms. Ranum introduced—

S.F. No. 1839: A bill for an act relating to the city of Richfield; providing for the application of fiscal disparities to a certain tax increment financing district.

Referred to the Committee on Economic Development and Housing.

Mr. Riveness and Ms. Ranum introduced—

S.F. No. 1840: A bill for an act relating to education; authorizing independent school district No. 280, Richfield, to change certain parts of its health and safety plan.

Referred to the Committee on Education.

Messrs. Mondale; Moe, R.D.; Hottinger; Riveness and Ms. Reichgott introduced—

S.F. No. 1841: A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by animal distributors; requiring the registration of distributors; prescribing penalties; providing remedies; creating a commission on commercial animal facilities and practices; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Mondale, Ms. Ranum, Piper, Messrs. Marty and Luther introduced—

S.F. No. 1842: A bill for an act relating to health; codifying case law regarding abortion; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Ms. Traub, Mr. Dicklich, Ms. Ranum; Johnson, J.B. and Mr. Dahl introduced—

S.F. No. 1843: A bill for an act relating to education and crime prevention; providing a comprehensive student services program for elementary school students; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Mr. Hottinger introduced—

S.F. No. 1844: A bill for an act relating to peace officers; authorizing deadly force policies that prohibit deadly force justified under state law; amending Minnesota Statutes 1991 Supplement, section 626.8452, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Morse, Stumpf, Price, Renneke and Pogemiller introduced—

S.F. No. 1845: A bill for an act relating to retirement; providing benefit increases for certain public employees; amending Minnesota Statutes 1990, sections 352.115, subdivision 3; 353.29, subdivision 3; 354.44, subdivision 6; and 354A.31, subdivision 4.

Referred to the Committee on Governmental Operations.

Mr. Kelly, Ms. Ranum, Messrs. Spear, Luther and McGowan introduced—

S.F. No. 1846: A bill for an act relating to corrections; requiring community-based sex offender treatment programs to be certified; establishing a sex offender treatment fund; requiring the legislative auditor to prepare a plan to implement an outcome-based evaluation and quality management system for sex offender treatment programs; requiring a report; amending Minnesota Statutes 1990, section 241.67, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Judiciary.

Messrs. Kelly and McGowan introduced—

S.F. No. 1847: A bill for an act relating to crime; clarifying certain law enforcement powers; making technical corrections to the eligibility criteria for possession of a pistol; increasing penalties for the unlawful carrying of a pistol without a permit; amending Minnesota Statutes 1990, sections 169.98, subdivision 1a; 299D.06; 624.713, subdivision 1; and 624.714, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 1848: A bill for an act relating to taxation; providing that property be treated as a homestead under certain circumstances; amending Minnesota Statutes 1990, section 273.124, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kelly and Ms. Pappas introduced—

S.F. No. 1849: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended.

Referred to the Committee on Local Government.

Messrs. Kelly and McGowan introduced—

S.F. No. 1850: A bill for an act relating to crimes; juvenile offenders; requiring corrections programming for juveniles convicted in adult court; providing for automatic adult prosecution of juvenile offenders previously referred for adult prosecution; allowing photographs to be taken of juveniles in custody; requiring that the sentencing guidelines treat felonies committed as a juvenile the same as prior adult felonies for purposes of calculating an offender's criminal history score; appropriating money; amending Minnesota Statutes 1990, sections 260.185, subdivision 2; and 609.055; Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 242; repealing Minnesota Statutes 1990, section 260.125, subdivision 3a.

Referred to the Committee on Judiciary.

Messrs. Kelly, Cohen and Ms. Pappas introduced—

S.F. No. 1851: A bill for an act relating to insurance; no-fault auto; regulating wage loss reimbursement coverage for disabled persons; amending Minnesota Statutes 1990, section 65B.491.

Referred to the Committee on Commerce.

Mr. Kelly introduced—

S.F. No. 1852: A bill for an act relating to the judiciary; increasing reimbursement amounts for witnesses; amending Minnesota Statutes 1990, section 357.22; Minnesota Statutes 1991 Supplement, section 357.24.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 1853: A bill for an act relating to crimes; juvenile offenders; requiring that juvenile offenders be committed to the commissioner of corrections if found delinquent for an act involving possession of a firearm; amending Minnesota Statutes 1990, section 260.185, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Vickerman, Merriam and Dicklich introduced—

S.F. No. 1854: A bill for an act relating to appropriations; clarifying the purposes for which a certain appropriation may be spent at Worthington community college.

Referred to the Committee on Finance.

Messrs. Metzen, Solon, Belanger, Larson and Mrs. Adkins introduced—

S.F. No. 1855: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

Referred to the Committee on Commerce.

Messrs. Finn, Luther and Knaak introduced—

S.F. No. 1856: A bill for an act relating to real property; providing for mortgage satisfaction or release by fewer than all mortgagees; regulating various notice, hearing, and other procedures and requirements for foreclosures and other involuntary transfers of real property; clarifying provisions relating to notice of termination of contract for deed; amending Minnesota Statutes 1990, sections 508.57; 508.58; 508.67; 508A.58; 514.08, subdivision 2; 514.10; 559.21, subdivisions 2a and 3; 580.15; and 582.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 507; and 580.

Referred to the Committee on Judiciary.

Mses. Berglin and Piper introduced—

S.F. No. 1857: A bill for an act relating to health; changing home care licensure requirements; requiring persons who provide home management services to be registered, but not licensed; removing the fee exemption for local government providers; amending Minnesota Statutes 1990, sections 144A.43, subdivisions 3 and 4; and 144A.46, subdivision 5; Minnesota Statutes 1991 Supplement, section 144A.46, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Referred to the Committee on Health and Human Services.

Messrs. Laidig and Dahl introduced—

S.F. No. 1858: A bill for an act relating to waste management; requiring recycling of fluorescent lamps in state buildings; amending Minnesota Statutes 1990, section 16B.24, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam, Laidig, Spear, Mondale and Neuville introduced—

S.F. No. 1859: A bill for an act relating to probate; changing provisions relating to merger of trusts, certificates of trust, affidavits of trustees, and powers of attorney; amending Minnesota Statutes 1990, sections 508.62; 508A.62; 523.02; 523.03; 523.07; 523.08; 523.09; 523.11, subdivisions 1 and 2; 523.17; 523.18; 523.19; 523.21; 523.22; 523.23, subdivisions 1, 2, 3, and by adding subdivisions; 523.24, subdivisions 1, 7, 8, and 9; Minnesota Statutes 1991 Supplement, section 518.58, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 501B; and 523; repealing Minnesota Statutes 1990, section 523.25.

Referred to the Committee on Judiciary.

Mrs. Adkins introduced—

S.F. No. 1860: A bill for an act relating to taxation; property; excluding fire service levies by the city of Otsego from levy limits.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.E. introduced—

S.F. No. 1861: A bill for an act relating to retirement; increasing the minimum size of public pension plans required to prepare and file investment

performance reports; amending Minnesota Statutes 1990, section 356.218, subdivision 2.

Referred to the Committee on Governmental Operations.

Mrs. Adkins introduced—

S.F. No. 1862: A bill for an act relating to education; authorizing a fund transfer for independent school district No. 885, St. Michael-Albertville.

Referred to the Committee on Education.

Messrs. Morse, Finn, Samuelson and Dicklich introduced—

S.F. No. 1863: A bill for an act relating to retirement; establishing an ambulance service personnel longevity award and incentive program; redirecting proceeds of a driver's license surtax; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 2b; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.05, subdivisions 1 and 3; and 353D.06; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 1991 Supplement, sections 353D.01, subdivisions 1a and 1b; 353D.021; 353D.031; 353D.051; and 353D.091; and Laws 1991, chapter 291, article 19, section 11.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman, Samuelson, Sams, Larson and Johnson, D.E. introduced—

S.F. No. 1864: A bill for an act relating to education; changing the structure of the higher education merger; amending Minnesota Statutes 1991 Supplement, sections 136E.03; 136E.04, subdivision 1; 179A.10, subdivision 2; and Laws 1991, chapter 356, article 9, sections 8, subdivisions 1 and 4; 9; and 14; repealing Minnesota Statutes 1991 Supplement, section 136E.04, subdivision 4; and Laws 1991, chapter 356, article 9, sections 8, subdivision 6; and 11.

Referred to the Committee on Education.

Messrs. Finn; Lessard; Moe, R.D.; Johnson, D.J. and Stumpf introduced—

S.F. No. 1865: A bill for an act relating to natural resources; establishing a bill of rights for natural resource permit applicants; creating an office of ombudsman for natural resource permits; appropriating money; amending Minnesota Statutes 1991 Supplement, section 15A.081, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Messrs. Mondale, Merriam, Ms. Johnson, J.B.; Messrs. Frederickson, D.R. and Dahl introduced—

S.F. No. 1866: A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to persons not otherwise liable who undertake and complete cleanup actions under an approved cleanup plan; providing for submission and approval of cleanup plans and supervision of cleanup by the commissioner of the pollution control agency; authorizing the commissioner of the pollution control agency

to issue determinations or enter into agreements with property owners near the source of releases of hazardous substances regarding future cleanup liability; appropriating money; amending Minnesota Statutes 1990, section 115B.17, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 115B.

Referred to the Committee on Environment and Natural Resources.

Mr. Benson, D.D. introduced—

S.F. No. 1867: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for the Lake Florence restoration project; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Ms. Pappas, Messrs. Hottinger, Beckman and Ms. Johnson, J.B. introduced—

S.F. No. 1868: A bill for an act relating to health; creating the Minnesota health assurance board and the department of health care access; establishing the Minnesota health assurance plan; creating a health care analysis unit; requiring research and data collection initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law as Minnesota Statutes, chapter 62K.

Referred to the Committee on Health and Human Services.

Ms. Pappas, Messrs. Riveness, Knaak, Novak and Mondale introduced—

S.F. No. 1869: A bill for an act relating to transportation; authorizing privileged highway use for transit buses and requiring instruction in the driver's manual; providing tax credits for transit use; imposing a tax on gasoline sales at retail and requiring tax proceeds to be used for transit; authorizing municipalities to impose transportation utility fees; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.04; 169.18, by adding a subdivision; 169.19, subdivision 1; 171.13, by adding a subdivision; 297A.02, by adding a subdivision; 297A.021, subdivision 1; and 297A.25, subdivision 7; Minnesota Statutes 1991 Supplement, section 297A.44, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapters 290; and 444.

Referred to the Committee on Transportation.

Mses. Johnston, Olson and Mr. Merriam introduced—

S.F. No. 1870: A bill for an act relating to mosquito abatement; requiring the commissioner of agriculture to adopt rules to provide potentially affected persons notice of spraying; amending Minnesota Statutes 1990, sections 18.091; 18.121, subdivision 1; and 473.704, subdivision 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Johnson, D.J.; Solon and Gustafson introduced—

S.F. No. 1871: A bill for an act relating to taxation; exempting certain ships from the sales and use tax; amending Minnesota Statutes 1990, section

297A.25, subdivision 45.

Referred to the Committee on Taxes and Tax Laws.

Mr. Metzen introduced—

S.F. No. 1872: A bill for an act relating to the city of West Saint Paul; providing for delayed property tax assessment of improvements to certain residential property.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse, Marty and Ms. Reichgott introduced—

S.F. No. 1873: A bill for an act relating to education; requiring school districts to develop and implement violence prevention programs; requiring in-service education for all district staff; establishing a violence prevention and sexual harassment curriculum resource center; reserving general education and early childhood family education revenue for in-service education for violence prevention programs; increasing the general education formula allowance; increasing the early childhood family education allowance; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 124.2711, subdivisions 1 and 4; 124A.22, subdivision 2; 124A.29, subdivision 1; and 126.70, subdivisions 1 and 2a; proposing coding for new law in Minnesota Statutes, chapter 121.

Referred to the Committee on Education.

Mr. Hughes introduced—

S.F. No. 1874: A bill for an act relating to mechanics' liens; providing for the reattachment of a lien where certain transfers are avoided under the federal bankruptcy code; amending Minnesota Statutes 1990, sections 514.011, subdivision 2; and 514.07.

Referred to the Committee on Judiciary.

Mr. Spear, Ms. Reichgott, Messrs. Mondale and Knaak introduced—

S.F. No. 1875: A bill for an act relating to freedom of expression; providing for free press rights of students in public schools; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mses. Flynn, Piper, Messrs. Renneke, Bernhagen and Solon introduced—

S.F. No. 1876: A bill for an act relating to occupations and professions; board of medical practice; clarifying requirements for granting medical licenses and for investigating physicians; amending Minnesota Statutes 1990, sections 147.131; and 147.161, subdivision 3; Minnesota Statutes 1991 Supplement, section 147.03.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 1877: A bill for an act relating to workers' compensation; regulating medical and rehabilitation benefits; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivision 15; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 9; 176.103, subdivisions 2, 3, and by adding a subdivision; 176.135, subdivisions 1, 1a, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; and 176.83, subdivisions 5, 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1990, sections 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1878: A bill for an act relating to workers' compensation; regulating insurance; regulating the assigned risk plan; creating a health and safety fund; providing for fraud prevention; requiring the department to assist employees; providing for accident prevention and injury reduction; eliminating subsequent injury registration and reimbursement; appropriating money; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.102, subdivision 3a; 176.103, subdivision 3; 176.106, subdivision 6; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.138; 176.139, subdivision 2; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.84, subdivision 2; 176A.03, by adding a subdivision; and 182.666, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1990, section 176.131.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1879: A bill for an act relating to workers' compensation; regulating hearings; providing for appointments to the workers' compensation court of appeals; regulating attorney fees; providing penalties; amending Minnesota Statutes 1990, sections 176.081, subdivisions 1, 2, and 3; 176.105, subdivision 1; 176.421, subdivisions 1 and 6; 176.461; 480B.01, subdivisions 1 and 10; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 1880: A bill for an act relating to workers' compensation; regulating benefits and coverage; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivision 11; 176.111, subdivision 18; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Employment.

Messrs. Langseth and DeCramer introduced—

S.F. No. 1881: A bill for an act relating to highways; providing for resolution of local disapproval of certain county state-aid highway actions; providing that part of county state-aid highway fund be apportioned on basis of lane-miles; changing composition of county state-aid screening board; making technical changes; amending Minnesota Statutes 1990, sections 160.02, by adding a subdivision; 162.02, subdivisions 8, 10, and by adding a subdivision; 162.07, subdivisions 1, 5, and 6; and 162.155.

Referred to the Committee on Transportation.

Mr. Laidig introduced—

S.F. No. 1882: A bill for an act relating to civil actions; limiting liability for certain injuries arising out of livestock activities; proposing coding for new law in Minnesota Statutes, chapter 604.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Beckman, Davis, Langseth, Renneke and Bertram introduced—

S.F. No. 1883: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.095; 79.251, subdivision 4; 79.252, subdivisions 1 and 3; 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, 8, and by adding subdivisions; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 7, 9, and 11; 176.103, subdivision 3; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.131, subdivisions 1, 1a, 2, 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; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.179; 176.181, subdivisions 3 and 7; 176.182; 176.183, subdivision 1; 176.185, subdivision 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivisions 4 and 5; 176.215, by adding a subdivision; 176.221, subdivisions 3, 3a, 6a, and 7; 176.231, subdivision 10; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivisions 1, 6, and 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; 182.666, subdivision 7; 268.08, subdivision 3; 353.33, subdivision 5; and 480B.01, subdivisions 1 and 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing 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; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Ms. Reichgott, Mr. Luther and Ms. Traub introduced—

S.F. No. 1884: A bill for an act relating to education; extending a special levy for school districts for crime related costs; amending Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j.

Referred to the Committee on Education.

Mr. Moe, R.D. introduced—

S.F. No. 1885: A bill for an act relating to education; restoring the school board option for a pre-Labor day start to the school year; repealing Minnesota Statutes 1991 Supplement, section 126.12, subdivision 1.

Referred to the Committee on Education.

Messrs. Bertram, Langseth and Vickerman introduced—

S.F. No. 1886: A bill for an act relating to drivers' licenses; authorizing Minnesota identification cards for certain military personnel; amending Minnesota Statutes 1990, sections 171.06, subdivision 2; and 171.07, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 171.02, subdivision 1; and 171.07, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Bertram, Vickerman and Sams introduced—

S.F. No. 1887: A bill for an act relating to human services; prohibiting an AFDC grant increase for children born more than nine months after a recipient began receiving AFDC; amending Minnesota Statutes 1990, section 256.74, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Vickerman, Sams and Ms. Johnson, J.B. introduced—

S.F. No. 1888: A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided in a hospital swing bed to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Price and Morse introduced—

S.F. No. 1889: A bill for an act relating to education; authorizing the elementary and secondary school year to commence before Labor Day in 1992.

Referred to the Committee on Education.

Mr. Price introduced—

S.F. No. 1890: A bill for an act relating to education; providing for an open and standing appropriation for debt service equalization aid; appropriating money for debt service equalization aid for school districts; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Price, by request, introduced—

S.F. No. 1891: A bill for an act relating to courts; creating a new judicial district; amending Minnesota Statutes 1991 Supplement, section 2.722, subdivision 1.

Referred to the Committee on Judiciary.

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

S.F. No. 1892: A bill for an act relating to agriculture; appropriating money for a potato inspection facility.

Referred to the Committee on Agriculture and Rural Development.

Mr. Mehrkens introduced—

S.F. No. 1893: A bill for an act relating to the city of Zumbrota; allowing informational signs.

Referred to the Committee on Transportation.

Mr. Bernhagen introduced—

S.F. No. 1894: A bill for an act relating to the environment; forgiving advances and loans made under a pilot litigation loan project relating to wastewater treatment.

Referred to the Committee on Finance.

Mr. Dahl introduced—

S.F. No. 1895: A bill for an act relating to state government; prohibiting gifts to members of the pollution control agency board or employees of the agency; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Elections and Ethics.

Mr. Dahl introduced—

S.F. No. 1896: A bill for an act relating to economic development; providing for the return of money under certain grant programs to be credited to the agricultural and economic development account; amending Minnesota Statutes 1990, section 116J.873, subdivision 4; Laws 1987, chapter 386, article 9, section 19, as amended.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1897: A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl, Ms. Traub, Mr. Dicklich and Mrs. Benson, J.E. introduced—

S.F. No. 1898: A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, sections 144.413, subdivision 2; and 144.417, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Education.

Mses. Piper and Berglin introduced—

S.F. No. 1899: A bill for an act relating to human services; requiring grants for demonstration programs to promote the self-sufficiency of public assistance recipients; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Finn, Ms. Berglin and Mr. Spear introduced—

S.F. No. 1900: A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; allowing nursing homes to limit access to certain physicians and pharmacists on the basis of quality assurance activities; amending Minnesota Statutes 1991 Supplement, sections 145.61, subdivisions 4a and 5; and 256B.48, subdivision 1.

Referred to the Committee on Health and Human Services.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. No. 1597 and the veto message thereon be taken from the table. The motion prevailed.

S.F. No. 1597: A bill for an act relating to elections; changing the boundaries of congressional districts; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.741; 2.751; 2.761; 2.771; 2.781; 2.791; 2.801; and 2.811.

Mr. Pogemiller moved that S.F. No. 1597 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the adoption of the motion of Mr. Pogemiller.

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	Mehrrens	Terwilliger
Benson, D.D.	Frederickson, D.R.	Knaak	Neuville	
Benson, J.E.	Gustafson	Laidig	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Renneke	

The motion prevailed. So the bill was repassed and its title was agreed to, the objections of the Governor to the contrary notwithstanding.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 24, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SIXTY-NINTH DAY

St. Paul, Minnesota, Monday, February 24, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Larry Forsberg.

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

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

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	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	Lessard	Pappas	Stumpf
Brataas	Halberg	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrrens	Price	
Davis	Johnson, D.J.	Merriam	Ranum	

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Bertram, Frank and Waldorf were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

September 10, 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:

METROPOLITAN COUNCIL

Polly Peterson Bowles, 6020 Ashcroft Avenue South, Edina, Hennepin County, Minnesota, has been appointed by me, effective September 16, 1991, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Metropolitan Affairs.)

October 2, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER, MINNESOTA HOUSING FINANCE AGENCY

James J. Solem, 1975 Autumn Street, Falcon Heights, Ramsey County, Minnesota, has been appointed by me, effective September 26, 1991, for a term expiring on the first Monday in January, 1995.

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

October 14, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER OF PUBLIC SAFETY

Thomas M. Frost, 1558 Fulham Street, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective October 8, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Transportation.)

December 11, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER, PUBLIC UTILITIES COMMISSION

Donald A. Storm, 5109 Grove Street, Edina, Hennepin County, Minnesota, has been appointed by me, effective December 11, 1991, for a term expiring on the first Monday in January, 1992.

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

December 30, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER, PUBLIC UTILITIES COMMISSION

Donald A. Storm, 5109 Grove Street, Edina, Hennepin County, Minnesota, has been appointed by me, effective January 6, 1992, for a term expiring on the first Monday in January, 1998.

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

January 3, 1992

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 ETHICAL PRACTICES BOARD

Douglas H. Sillers, Route 2, Box 180, Moorhead, Clay County, Minnesota, has been appointed by me, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

Bruce Willis, 2940 Walnut Grove Lane, Plymouth, Hennepin County, Minnesota, has been appointed by me, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Elections and Ethics.)

Warmest regards,
Arne H. Carlson, Governor

February 18, 1992

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

The Subcommittee on Committees met and by appropriate action made the

following appointments:

Pursuant to Laws 1989:

Chapter 282, Article 2, Section 217: Inventory, Referral, and Intake System (IRIS) Coordinating Committee - Mr. Terwilliger

Pursuant to Laws 1991:

Chapter 265, Article 8, Section 16: Task Force on Education and Employment Transitions - Ms. Olson

Pursuant to Minnesota Statutes:

16B.41: State Information Systems Advisory Task Force - Mrs. Pariseau

115A.14: Legislative Commission on Waste Management - Mr. Dennis R. Frederickson

137.0245: Regent Candidate Advisory Council - Mr. Manuel Cervantes, Mr. Hillary Thimmesh, Mr. Tom Renier and Mr. Ezell Jones

256B.504: Legislative Commission on Long-Term Health Care - Mr. Renneke

Respectfully,
Roger D. Moe, Chairman
Subcommittee on Committees

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:

**MINNESOTA VETERANS HOMES
BOARD OF DIRECTORS**

James H. Main, 1575 Crest Drive, Chaska, Carver County, Minnesota, has been appointed by me, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Robert W. Reif, M.D., 2344 South Shore Boulevard, White Bear Lake, Ramsey 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 Veterans and General Legislation.)

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:

STATE ETHICAL PRACTICES BOARD

Emily Anne Staples, 1640 Xanthus Lane, Plymouth, Hennepin County, Minnesota, has been appointed by me, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Elsa Carpenter, 4724 Emerson Avenue South, Minneapolis, 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 Elections and Ethics.)

May 13, 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:

MINNESOTA HIGHER EDUCATION
FACILITIES AUTHORITY

Fred Hsiao, 6632 Limerick Drive, Edina, Hennepin County, Minnesota, has been appointed by me, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

Kathryn Balstad Brewer, 321 Silver Lake Road, New Brighton, Ramsey County, Minnesota, has been appointed by me, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Education.)

May 14, 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:

MINNESOTA PUBLIC
FACILITIES AUTHORITY

Donna Holstine, 2147 Knollwood Drive, Fairmont, Martin County, Minnesota, has been appointed by me, effective May 15, 1991, for a term expiring on the first Monday in January, 1995.

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

July 8, 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:

BOARD OF ANIMAL HEALTH

Russell John Wirt, Route 1, Box 45, Lewiston, Winona County, Minnesota, has been appointed by me, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

Patty Christensen, Box 87, Milroy, Redwood County, Minnesota, has been appointed by me, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

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

July 17, 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:

REGIONAL TRANSIT BOARD

Val M. Higgins, 1766 Morgan Road, Long Lake, Hennepin County, Minnesota, has been appointed by me, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Metropolitan Affairs.)

August 1, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

DIRECTOR, GAMBLING CONTROL BOARD

Harold W. Baltzer, 11128 Hyland Terrace, Eden Prairie, Hennepin County, Minnesota, has been appointed by me, effective August 5, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Gaming Regulation.)

October 28, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER OF TRANSPORTATION

James N. Denn, 8617 Riverview Lane, Brooklyn Park, Hennepin County, Minnesota, has been appointed by me, effective December 2, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Transportation.)

October 29, 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:

STATE BOARD OF TECHNICAL COLLEGES

Joan "Jody" Olson, 301 Pine Avenue North, Canby, Yellow Medicine County, Minnesota, has been appointed by me, effective October 30, 1991, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Education.)

November 5, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

MINNESOTA ENVIRONMENTAL QUALITY BOARD

Bruce Bomier, 3430 Rum River Drive, Anoka, Anoka County, Minnesota, has been appointed by me, effective November 11, 1991, for a term expiring on the first Monday in January, 1994.

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

January 2, 1992

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:

STATE BOARD FOR COMMUNITY COLLEGES

Craig Shaver, 165 East Grove, Wayzata, Hennepin County, Minnesota, has been appointed by me, effective January 6, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to inform the Senate that the House of Representatives invites and is ready to meet with the Senate at 6:45 p.m., Thursday, March 5, 1992, to receive the supplemental budget message of the Honorable Arne H. Carlson, Governor of the State of Minnesota, said supplemental budget message to be delivered at 7:00 p.m., Thursday, March 5, 1992.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 24, 1992

Mr. Moe, R.D. moved that the Senate accede to the request of the House of Representatives to meet in Joint Convention in the House Chamber at 6:45 p.m., Thursday, March 5, 1992, to receive the supplemental budget message of the Honorable Arne H. Carlson, Governor of the State of Minnesota. 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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1739: A bill for an act relating to traffic regulations; providing for exemption to open bottle law; amending Minnesota Statutes 1990, section 169.122, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Judiciary. Report adopted.

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

S.F. No. 797: A bill for an act relating to traffic regulations; authorizing the use of studded tires by rural mail carriers; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

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

Page 1, line 9, delete "RURAL" and delete "*rural*"

Amend the title as follows:

Page 1, line 3, delete "rural"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1716: A bill for an act relating to Olmsted county; permitting the appointment of the recorder; authorizing the abolishment and reorganization of the office.

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

Page 2, line 17, delete "15" and insert "ten"

Page 2, line 23, delete "acts" and insert "act"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1694: A bill for an act relating to Hennepin county; authorizing expenditures to improve and maintain lake quality; proposing coding for new law in Minnesota Statutes, chapter 383B.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 797, 1716 and 1694 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Beckman moved that the name of Mr. Morse be added as a co-author to S.F. No. 1763. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Morse be added as a co-author to S.F. No. 1774. The motion prevailed.

Ms. Traub moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 1805. The motion prevailed.

Mr. Mondale moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1809. The motion prevailed.

Ms. Johnson, J.B. moved that the names of Messrs. Dicklich, Dahl and Marty be added as co-authors to S.F. No. 1812. The motion prevailed.

Ms. Berglin moved that the name of Ms. Traub be added as a co-author to S.F. No. 1825. The motion prevailed.

Mr. Finn moved that the name of Ms. Pappas be added as a co-author to S.F. No. 1833. The motion prevailed.

Mr. Finn moved that the name of Mr. Price be added as a co-author to S.F. No. 1834. The motion prevailed.

Mr. Laidig moved that the name of Mr. Merriam be added as a co-author

to S.F. No. 1858. The motion prevailed.

Mr. Spear moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 1875. The motion prevailed.

Mr. Chmielewski moved that the names of Mr. Hottinger, Mrs. Adkins, Messrs. Bertram and Finn be added as co-authors to S.F. No. 1877. The motion prevailed.

Mr. Chmielewski moved that the names of Mr. Hottinger, Mrs. Adkins, Messrs. Bertram and Finn be added as co-authors to S.F. No. 1878. The motion prevailed.

Mr. Chmielewski moved that the names of Mr. Hottinger, Mrs. Adkins, Messrs. Bertram and Finn be added as co-authors to S.F. No. 1879. The motion prevailed.

Mr. Chmielewski moved that the names of Mr. Hottinger, Mrs. Adkins and Mr. Finn be added as co-authors to S.F. No. 1880. The motion prevailed.

Mr. Moe, R.D. moved that the names of Messrs. Merriam and Price be added as co-authors to S.F. No. 1885. The motion prevailed.

Mr. Price moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 1889. The motion prevailed.

Mr. Price moved that the names of Messrs. Merriam and Morse be added as co-authors to S.F. No. 1890. The motion prevailed.

Mr. Stumpf introduced—

Senate Resolution No. 108: A Senate resolution congratulating the Goodridge/Grygla football team for its participation in the 1991 Prep Bowl.

Referred to the Committee on Rules and Administration.

Mr. Stumpf introduced—

Senate Resolution No. 109: A Senate resolution congratulating the Grygla/Goodridge football team for its participation in the 1991 Prep Bowl.

Referred to the Committee on Rules and Administration.

Mr. Stumpf introduced—

Senate Resolution No. 110: A Senate resolution honoring Robert Wolfe, Minnesota Department of Transportation District Engineer for Northwestern Minnesota, on his retirement.

Referred to the Committee on Rules and Administration.

Mr. Stumpf introduced—

Senate Resolution No. 111: A Senate resolution congratulating William Gatheridge on his retirement from the Minnesota Association of Townships.

Referred to the Committee on Rules and Administration.

CALENDAR

S.F. No. 1666: A bill for an act relating to local government; authorizing county hospitals to undertake certain projects; amending various laws relating to contracts and conflicts of interest; amending Minnesota Statutes 1990, sections 376.08; 412.311; 412.691; 471.345, subdivisions 3, 4, and by adding a subdivision; and 471.88, subdivision 5; repealing Minnesota Statutes 1990, section 471.88, 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 55 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frederickson, D.R.	Johnston	Knaak	Luther	Merriam
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So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Hottinger, Solon, Metzen, Belanger and Mrs. Adkins introduced—

S.F. No. 1901: A bill for an act relating to consumer protection; requiring certificates of title on rebuilt vehicles to contain the term “rebuilt” on them; removing a limitation on this requirement; amending Minnesota Statutes 1990, section 325F.6642, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Morse, DeCramer, Ms. Johnson, J.B.; Messrs. Mehrkens and Price introduced—

S.F. No. 1902: A bill for an act relating to education; providing for a reimbursement of costs incurred by school districts to comply with required elementary preparation time rules; appropriating money.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1903: A bill for an act relating to health; modifying provider appeal requirements for medical assistance; amending Minnesota Statutes 1990, section 256B.50, subdivision 1b.

Referred to the Committee on Health and Human Services.

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

S.F. No. 1904: A bill for an act relating to human services; authorizing the Minnesota housing finance agency to finance nursing home projects; appropriating money; amending Minnesota Statutes 1990, sections 462A.02, by adding a subdivision; 462A.03, subdivisions 7 and 19; 462A.05, by adding a subdivision; and 462A.22, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Mr. Dicklich introduced—

S.F. No. 1905: A bill for an act relating to education; clarifying the debt service equalization program; authorizing a levy adjustment; amending Minnesota Statutes 1991 Supplement, section 124.95, subdivisions 1 and 2.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1906: A bill for an act relating to education; authorizing the designation of model sites for counselor and social worker programs offered collaboratively at the elementary school level; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Messrs. DeCramer, Dicklich, Langseth, Ms. Olson and Mr. Morse introduced—

S.F. No. 1907: A bill for an act relating to education; increasing aid for school districts for placements of disabled children in residential facilities and for contracted residential services in nonresident facilities; appropriating money; amending Minnesota Statutes 1990, section 124.32, subdivisions 1d and 5.

Referred to the Committee on Education.

Mr. Marty introduced—

S.F. No. 1908: A bill for an act relating to community service; directing the Minnesota office on volunteer services to prepare a federal grant proposal.

Referred to the Committee on Governmental Operations.

Messrs. Marty and Spear introduced—

S.F. No. 1909: A bill for an act relating to the treatment of juvenile offenders; establishing pilot projects for mental health and chemical dependency screening and treatment of juveniles in detention; appropriating money; amending Minnesota Statutes 1990, section 260.185, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 260.

Referred to the Committee on Health and Human Services.

Messrs. Morse; Frederickson, D.R.; Pogemiller and Stumpf introduced—

S.F. No. 1910: A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

Referred to the Committee on Governmental Operations.

Mr. Hottinger introduced—

S.F. No. 1911: A bill for an act relating to financial institutions; credit unions; regulating investments in share certificates; authorizing credit unions to make reverse mortgage loans; regulating credit unions as depositories of various funds; amending Minnesota Statutes 1990, sections 41B.19, subdivision 6; 47.58, subdivision 1; 48.64; 48.86; 50.14, subdivision 13; 80A.14, subdivision 9; 116J.8765, subdivision 4; 118.01, subdivision 1; 118.10; 136.31, subdivision 6; 356A.06, subdivision 6; 427.01; 446A.11, subdivision 9; and 475.67, subdivision 5; Minnesota Statutes 1991 Supplement, section 11A.24, subdivision 4.

Referred to the Committee on Commerce.

Mr. Hottinger introduced—

S.F. No. 1912: A bill for an act relating to commerce; exempting certain financial intermediaries from certain checking account regulation; requiring drivers' licenses to be less susceptible to alteration; amending Minnesota Statutes 1990, sections 48.512, by adding a subdivision; and 171.07, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Cohen introduced—

S.F. No. 1913: A bill for an act relating to civil liability; raising the tort liability limits for claims against the metropolitan transit commission; amending Minnesota Statutes 1990, sections 466.01, by adding a subdivision; and 466.04, subdivisions 1 and 3.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 1914: A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

Referred to the Committee on Transportation.

Mr. Luther introduced—

S.F. No. 1915: A bill for an act relating to civil actions; regulating joint and several liability in cases where liability arises from the manufacture or distribution of asbestos containing products; amending Minnesota Statutes 1990, section 604.02, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Waldorf, Morse and Renneke introduced—

S.F. No. 1916: A bill for an act relating to retirement; the Minnesota state retirement system; public employees retirement association; and teachers retirement association; increasing the interest rate on the repayment of refunds and similar transactions; amending Minnesota Statutes 1990, sections 3A.03, subdivision 2; 352.01, subdivision 11; 352.04, subdivision 8; 352.23; 352.27; 352.271; 352B.11, subdivision 4; 352C.051, subdivision 3; 352C.09, subdivision 2; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.28, subdivision 5; 353.35; 353.36, subdivision 2; 354.41, subdivision 9; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; and 490.124, subdivision 12; Minnesota Statutes 1991 Supplement, sections 353.01, subdivision 16; 353.27, subdivisions 12, 12a, and 12b; and 354.094, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Waldorf, Renneke, Morse, Pogemiller and Stumpf introduced—

S.F. No. 1917: A bill for an act relating to the state board of investment; management of funds under board control; authorizing certain investments by the board; amending Minnesota Statutes 1990, sections 11A.04; 11A.14, subdivision 2; 11A.16, subdivision 5; 11A.17, subdivisions 1, 4, 9, 14, and by adding a subdivision; 11A.18, subdivision 11; 116P.11; 352D.04, subdivision 1; 352D.09, subdivision 7; 354B.04, by adding a subdivision; and 354B.05, subdivision 3; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 353D.05, subdivisions 2 and 3; and 354B.07, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 1918: A bill for an act relating to probate; updating the uniform simultaneous death act; amending Minnesota Statutes 1990, section 525.90.

Referred to the Committee on Judiciary.

Messrs. Novak, Terwilliger, Ms. Piper, Messrs. Johnson, D.J. and Marty introduced—

S.F. No. 1919: A bill for an act relating to trade regulations; regulating certain interactive telephone services; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Energy and Public Utilities.

Mr. Bertram introduced—

S.F. No. 1920: A bill for an act relating to the military; appropriating money for a day care center at Camp Ripley.

Referred to the Committee on Veterans and General Legislation.

Messrs. Chmielewski, Knaak, Bernhagen and Frederickson, D.J. introduced—

S.F. No. 1921: A bill for an act relating to drivers' licenses; increasing fees; amending Minnesota Statutes 1990, section 171.06, subdivisions 2 and 4.

Referred to the Committee on Local Government.

Messrs. Solon and Metzen introduced—

S.F. No. 1922: A bill for an act relating to insurance; regulating the structure and functions of the Minnesota automobile insurance plan; amending Minnesota Statutes 1990, sections 65B.01; 65B.02, subdivisions 1, 4, and 7; 65B.03, subdivision 1; 65B.04, subdivisions 3 and 4; 65B.05; 65B.06; 65B.07, subdivision 4; 65B.08, subdivisions 1 and 2; 65B.09; 65B.10; and 65B.12, subdivision 1; repealing Minnesota Statutes 1990, sections 65B.04, subdivisions 1 and 2; and 65B.07, subdivision 2.

Referred to the Committee on Commerce.

Messrs. Beckman; DeCramer; Frederickson, D.J. and Bertram introduced—

S.F. No. 1923: A bill for an act relating to education; authorizing equity guarantee revenue for school districts at and below the 95th percentile for supplemental and referendum revenue; appropriating money; amending Minnesota Statutes 1990, sections 124A.22, subdivision 1; 124A.23, subdivision 3; and 124A.26, subdivision 2; Minnesota Statutes 1991 Supplement, sections 124A.23, subdivision 4; and 124A.24; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 1924: A bill for an act relating to lawful gambling; specifying that certain expenditures for senior citizens and conservation programs are lawful purposes; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Messrs. Beckman, Mondale, Bertram and Frederickson, D.J. introduced—

S.F. No. 1925: A bill for an act relating to employment; regulating employee invention agreements; amending Minnesota Statutes 1990, section 181.78, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Frederickson, D.R. introduced—

S.F. No. 1926: A bill for an act relating to education; extending interactive television levy authority to school districts in economic region nine; amending Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g.

Referred to the Committee on Education.

Messrs. Hottinger and Marty introduced—

S.F. No. 1927: A bill for an act relating to commerce; regulating innkeepers; prohibiting innkeepers from removing, or failing to admit, guests based on age if the guest is not a minor; amending Minnesota Statutes 1990, section 327.73, subdivision 4.

Referred to the Committee on Commerce.

Mr. Hottinger introduced—

S.F. No. 1928: A bill for an act relating to education; permitting named entities and others to donate to the office on volunteer services; amending Minnesota Statutes 1991 Supplement, section 16B.88, subdivision 6.

Referred to the Committee on Economic Development and Housing.

Mr. Hottinger introduced—

S.F. No. 1929: A bill for an act relating to real property; abolishing issuance of duplicate certificates of title and duplicate CPTs for use by lessees and mortgagees of registered land; increasing registration fees; providing that part of registration fees be deposited in county recorder's equipment fund for 1992 and 1993; appropriating money; amending Minnesota Statutes 1990, sections 508.44, subdivision 2; 508.45; 508.55; 508.56; 508.57; 508.59; 508.71, subdivision 6; 508.835; 508A.11, subdivision 3; 508A.44, subdivision 2; 508A.45; 508A.55; 508A.56; 508A.57; 508A.59; 508A.71, subdivision 6; 508A.835; and 508A.85, subdivision 3; Minnesota Statutes 1991 Supplement, sections 508.82; and 508A.82.

Referred to the Committee on Judiciary.

Ms. Traub, Mr. Stumpf, Mrs. Adkins, Messrs. DeCramer and Day introduced—

S.F. No. 1930: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.095; 79.251, subdivision 4; 79.252, subdivisions 1 and 3; 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, 8, and by adding subdivisions; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 7, 9, and 11; 176.103, subdivision 3; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.131, subdivisions 1, 1a, 2, 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; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.179; 176.181, subdivisions 3 and 7; 176.182; 176.183, subdivision 1; 176.185, subdivision 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivisions 4 and 5; 176.215, by adding a subdivision; 176.221, subdivisions 3, 3a, 6a, and 7; 176.231, subdivision 10; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivisions 1, 6, and 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision

2; 176A.03, by adding a subdivision; 182.666, subdivision 7; 268.08, subdivision 3; 353.33, subdivision 5; and 480B.01, subdivisions 1 and 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing 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; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Mr. Kelly, Ms. Flynn, Messrs. Metzen, Kroening and Laidig introduced—

S.F. No. 1931: A bill for an act relating to metropolitan government; providing funds for the operation and maintenance of metropolitan area regional parks; appropriating money.

Referred to the Committee on Metropolitan Affairs.

Messrs. Morse and Mehrkens introduced—

S.F. No. 1932: A bill for an act relating to counties; providing for a tax levy for land management systems; amending Minnesota Statutes 1990, section 381.12, subdivision 2.

Referred to the Committee on Local Government.

Messrs. Morse; Frederickson, D.R.; Stumpf; Lessard and Moe, R.D. introduced—

S.F. No. 1933: A bill for an act relating to waste management; adding provisions relating to permit fees for solid waste facilities; authorizing rulemaking; amending Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller, Mrs. Pariseau, Ms. Ranum, Messrs. Metzen and Riveness introduced—

S.F. No. 1934: A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, section 69.011, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

Referred to the Committee on Governmental Operations.

Messrs. Pogemiller, Renneke and Ms. Ranum introduced—

S.F. No. 1935: A bill for an act relating to retirement; making changes in laws governing the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.14, subdivision 1; and 422A.23, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 422A.17; repealing Minnesota Statutes 1990, section 422A.14, subdivision 2.

Referred to the Committee on Governmental Operations.

Messrs. Beckman, Metzen and Larson introduced—

S.F. No. 1936: A bill for an act relating to education; repealing requirements for consolidation of certain community college and technical college administrative positions; repealing the requirement that the state board of technical colleges create technical college districts; removing technical colleges from the authority of the higher education board; removing the technical college system from the merger of post-secondary education systems; amending Minnesota Statutes 1991 Supplement, sections 136E.03; 136E.04, subdivision 1; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, sections 8, subdivisions 1 and 4; 9; and 14; repealing Minnesota Statutes 1991 Supplement, sections 135A.50; 136C.71; 136E.04, subdivision 4; Laws 1991, chapter 356, article 9, sections 8, subdivision 6; and 11.

Referred to the Committee on Education.

Messrs. Frederickson, D.R.; Dahl; Samuelson; Benson, D.D. and Johnson, D.E. introduced—

S.F. No. 1937: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for construction of an educational facility at Hoffman Center in St. Peter; appropriating money.

Referred to the Committee on Education.

Ms. Pappas, Mr. Kelly, Ms. Berglin, Messrs. Cohen and Belanger introduced—

S.F. No. 1938: A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Kroening, Solon and Metzen introduced—

S.F. No. 1939: A bill for an act relating to motor fuels; requiring gasoline sellers to comply with posted octane amounts; providing for octane testing; establishing enforcement procedures and penalties for violations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 239.

Referred to the Committee on Commerce.

Messrs. Morse, Beckman, Ms. Piper, Messrs. Benson, D.D. and Chmielewski introduced—

S.F. No. 1940: A bill for an act relating to workers' compensation; regulating insurance rates of certain health personnel; amending Minnesota Statutes 1990, section 79.211, subdivision 2.

Referred to the Committee on Employment.

Messrs. Morse; Benson, D.D.; Sams; Chmielewski and Beckman introduced—

S.F. No. 1941: A bill for an act relating to employment; classifying rescue squad workers as employees for purposes of workers' compensation; requiring an evaluation of ambulance personnel classification; amending Minnesota Statutes 1990, section 176.011, subdivision 9.

Referred to the Committee on Employment.

Messrs. Kelly, Spear, Mrs. Brataas, Mses. Berglin and Piper introduced—

S.F. No. 1942: A bill for an act relating to human services; establishing a grant program for crime prevention services for Asian youth; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Pogemiller, Kelly, Mses. Traub and Pappas introduced—

S.F. No. 1943: A bill for an act relating to crime victims; requiring a crime victimization survey; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Judiciary.

Messrs. Kelly, Metzen, Kroening and Gustafson introduced—

S.F. No. 1944: A bill for an act relating to housing; authorizing the issuance and sale of state bonds for the neighborhood land trust program; appropriating money.

Referred to the Committee on Economic Development and Housing.

Ms. Piper, Mr. Samuelson, Mses. Berglin, Flynn and Ranum introduced—

S.F. No. 1945: A bill for an act relating to health; appropriating money to the commissioner of health to review proposals from occupations and professions seeking to be licensed or regulated.

Referred to the Committee on Health and Human Services.

Messrs. Finn, Kroening, Solon, Dicklich and Ms. Berglin introduced—

S.F. No. 1946: A bill for an act relating to juveniles; establishing a youth employment and education pilot program; appropriating money for the pilot program and for family-based services under the family preservation act.

Referred to the Committee on Education.

Messrs. Morse, Price, Ms. Johnson, J.B. and Mr. Merriam introduced—

S.F. No. 1947: A bill for an act relating to the environment; regulating financial responsibility for mining activities; modifying financial assurance requirements; amending Minnesota Statutes 1990, section 93.49.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hottinger, Beckman and Neuville introduced—

S.F. No. 1948: A bill for an act relating to capital improvements; providing for repairs and upgrading of the Sakatah Singing Hills State Trail; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott introduced—

S.F. No. 1949: A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; amending Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Mondale, Kelly, Ms. Traub and Mr. Metzen introduced—

S.F. No. 1950: A bill for an act relating to tax increment financing; establishing a special environmental treatment area; establishing tax increment financing districts; providing certain contaminant remediation and development powers; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Environment and Natural Resources.

Mr. Mondale, Ms. Reichgott, Messrs. Riveness and Metzen introduced—

S.F. No. 1951: A bill for an act relating to education; authorizing a school district to convert existing referendum authority from a percentage of net tax capacity to an amount per pupil unit; amending Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2a.

Referred to the Committee on Education.

Mr. Mondale, Ms. Traub, Mr. Dahl, Ms. Reichgott and Mr. Terwilliger introduced—

S.F. No. 1952: A bill for an act relating to education; making home visits to prevent child abuse and neglect part of the early childhood family education program; authorizing grants for ECFE programs that serve at-risk families and communities of color; appropriating money; amending Minnesota Statutes 1990, section 121.882, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 121.882, subdivision 2.

Referred to the Committee on Education.

Mr. Berg introduced—

S.F. No. 1953: A bill for an act relating to Traverse county; excusing the county from the obligation to pay certain fees to the attorney general.

Referred to the Committee on Finance.

Messrs. Beckman; Langseth; Johnson, D.E.; Ms. Reichgott and Mr. Frederickson, D.J. introduced—

S.F. No. 1954: A bill for an act relating to education; reauthorizing state transportation aid for late transportation home from school for pupils involved in after school activities and for summer program transportation; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 124.223, subdivisions 1 and 8; and 124.225, subdivision 1.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 1955: A bill for an act relating to elections; presidential primary; allowing cities to designate a single polling place for the presidential primary; amending Minnesota Statutes 1990, section 204B.16, by adding a subdivision.

Referred to the Committee on Elections and Ethics.

Messrs. Kelly, Cohen, Ms. Ranum, Messrs. Merriam and Knaak introduced—

S.F. No. 1956: A bill for an act relating to crimes; requiring revocation of the driver's license of a person convicted of a controlled substance offense involving use of a motor vehicle; amending Minnesota Statutes 1991 Supplement, section 171.17, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 1957: A bill for an act relating to human services; changing conditions for increasing the property-related payment rate for hospital facilities that have licensed nursing home beds; amending Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Price, Morse, Ms. Flynn, Messrs. Neuville and Merriam introduced—

S.F. No. 1958: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for lake level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1990, sections 103G.101, subdivision 1; 103G.261; 103G.271, by adding subdivisions; 103G.281, subdivisions 2 and 3; 103G.285, subdivision 1; 115.03, subdivision 1; 473.175, subdivision 1; 473.851; 473.858, by adding a subdivision; and 473.859, subdivisions 3, 4, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1; repealing Minnesota Statutes 1990, section 103G.285, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther, Morse, Ms. Traub, Mr. Novak and Ms. Olson introduced—

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, section 84.9691; proposing coding for new law in Minnesota Statutes, chapters 84; and 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Bertram and Vickerman introduced—

S.F. No. 1960: A bill for an act relating to lawful gambling; exempting certain organizations from the requirement to have an annual financial audit; amending Minnesota Statutes 1991 Supplement, section 349.19, subdivision 9.

Referred to the Committee on Gaming Regulation.

Mr. Bertram introduced—

S.F. No. 1961: A bill for an act relating to arrests; requiring peace officers to notify parents of certain arrests; requiring notice to owner of motor vehicle if driver is taken into custody; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Judiciary.

Messrs. Samuelson, Vickerman, Spear, Renneke and Ms. Piper introduced—

S.F. No. 1962: A bill for an act relating to appropriations; expanding the scope of a construction project at the Minnesota correctional facility - Lino Lakes; appropriating money.

Referred to the Committee on Finance.

Messrs. DeCramer; Frederickson, D.J.; Sams; Larson and Hottinger introduced—

S.F. No. 1963: A bill for an act relating to education; modifying the summer health care intern program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C; repealing Laws 1990, chapter 562, article 12.

Referred to the Committee on Education.

Mr. Solon, Ms. Piper and Mrs. Brataas introduced—

S.F. No. 1964: A bill for an act relating to human services; providing for a demonstration project to evaluate the effects and costs of downsizing the size of intermediate care facilities for persons with mental retardation; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Vickerman introduced—

S.F. No. 1965: A bill for an act relating to human services; directing the commissioner of human services to exempt intermediate care facilities for persons with mental retardation from Minnesota Rules, parts 9525.0215 to 9525.0430.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 1966: A bill for an act relating to Cook county hospital district; providing for terms for Cook county hospital district board members; amending Laws 1989, chapter 211, section 8, subdivision 3.

Referred to the Committee on Local Government.

Mr. Frederickson, D.R. introduced—

S.F. No. 1967: A bill for an act relating to education; clarifying and expanding certain accounting and fund transfer authority with respect to the food service fund; amending Minnesota Statutes 1991 Supplement, section 124.646, subdivision 4.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 1968: A bill for an act relating to education; making changes in the school consolidation law; amending Minnesota Statutes 1990, section 122.23, subdivision 16; Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1969: A bill for an act relating to children; providing juvenile crime prevention funding for head start programs; authorizing a grant to a statewide parent self-help child abuse prevention organization; appropriating money; amending Minnesota Statutes 1991 Supplement, section 268.914, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf and Morse introduced—

S.F. No. 1970: A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger; Solon; Benson, D.D.; Samuelson and Finn introduced—

S.F. No. 1971: A bill for an act relating to health; providing an exemption from Minnesota antitrust law; amending Minnesota Statutes 1990, section

325D.55, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Kelly introduced—

S.F. No. 1972: A bill for an act relating to highways; directing the commissioner of transportation to erect a directional sign on interstate highway No. 94 in St. Paul.

Referred to the Committee on Transportation.

Ms. Ranum, Messrs. Spear, Kelly and McGowan introduced—

S.F. No. 1973: A bill for an act relating to crimes; increasing statutory maximum sentences for various offenses; removing the limit on consecutive sentences for felonies; clarifying that violation of an order for protection is a crime for purposes of burglary; expanding bias crime reporting requirements; amending Minnesota Statutes 1990, sections 609.15, subdivision 2; 609.21, subdivisions 1, 2, 2a, 3, and 4; 609.222; 609.581, by adding a subdivision; 609.713; and 626.5531, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Merriam, Knaak and Cohen introduced—

S.F. No. 1974: A bill for an act relating to government data practices; referencing provisions codified outside the Minnesota government data practices act; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Mrs. Benson, J.E. introduced—

S.F. No. 1975: A bill for an act relating to crime; providing for anti-violence education and prevention programs; amending Minnesota Statutes 1990, section 125.05, subdivision 2; Minnesota Statutes 1991 Supplement, sections 121.88, subdivision 10; and 125.185, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 126; and 299A.

Referred to the Committee on Education.

Ms. Berglin and Mr. Spear introduced—

S.F. No. 1976: A bill for an act relating to human services; extending the exemption from the Minnesota supplemental aid rate cap to allow payments at the case mix rate for certain medical assistance certified boarding care facilities and nursing homes declared institutions for mental disease; amending Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2.

Referred to the Committee on Health and Human Services.

Mses. Ranum, Traub, Messrs. Spear, Kelly and Beckman introduced—

S.F. No. 1977: A bill for an act relating to crimes; prohibiting release of inmates on holidays and weekends; requiring the establishment of certified sex offender treatment programs in correctional facilities; providing for the establishment of a chemical dependency treatment program in all correctional facilities; prohibiting good time for offenders who fail to complete

court-ordered chemical dependency treatment; establishing a probation standards task force; requiring courts to make findings when recommended drug treatment is not ordered; amending Minnesota Statutes 1990, section 241.67, subdivision 3; 242.195, subdivision 2; and 244.04, subdivision 1; Minnesota Statutes 1991 Supplement, section 609.115, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Hottinger, Marty, Spear and Ms. Traub introduced—

S.F. No. 1978: A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Ms. Pappas introduced—

S.F. No. 1979: A bill for an act relating to human services; providing for six demonstration projects to test alternatives to the delivery of mental health services; amending Minnesota Statutes 1990, section 256E.05, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Finn introduced—

S.F. No. 1980: A bill for an act relating to education; authorizing school bus transportation for learning readiness programs; amending Minnesota Statutes 1990, section 123.39, subdivision 8d.

Referred to the Committee on Education.

Mr. Dahl introduced—

S.F. No. 1981: A bill for an act relating to the environment; motor vehicle inspection; clarifying that kit cars and vehicles with exchanged engines may be tested to the age of the engine under certain conditions; proposing that model year 1991 or older vehicles be tested to the age of the chassis; amending Minnesota Statutes 1990, section 116.62, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Dahl introduced—

S.F. No. 1982: A bill for an act relating to education; authorizing the board of teaching to implement restructured teacher preparation programs and requirements to become a licensed teacher; requiring certain examinations before admission to an internship program and becoming licensed; requiring a one-year internship in an approved professional development school before becoming licensed; recodifying and simplifying certain licensure provisions for clarification; amending Minnesota Statutes 1990, section 125.05, subdivisions 1, 7, and by adding subdivisions; Minnesota Statutes

1991 Supplement, section 125.185, subdivisions 4 and 4a; repealing Minnesota Statutes 1990, section 125.03, subdivision 5.

Referred to the Committee on Education.

Messrs. McGowan, Laidig, Belanger and Knaak introduced—

S.F. No. 1983: A bill for an act relating to crime; proposing the safe communities act of 1992; increasing penalties for violent crimes; enhancing protections for crime victims; providing measures to assist in the enforcement of criminal laws and the supervision of offenders; authorizing the commissioner of public safety to award emergency anti-crime initiatives grants; providing for anti-violence education and prevention programs; proposing a variety of changes to the felony sentencing system; eliminating "good time" reductions in prison sentences; increasing and imposing new penalties on DWI offenders; increasing treatment and correctional resources for juvenile offenders; improving the operation of the psychopathic personality commitment law; establishing task forces to study ways of improving the criminal records system, the juvenile justice system, and the data practices laws; authorizing state bonds to expand the Minnesota security hospital for psychopathic personality commitments and to permit secure confinement of juveniles at the Minnesota correctional facility-Red Wing; appropriating money and raising fees to fund anti-crime initiatives and other criminal justice system needs; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 8.15; 16A.531, by adding a subdivision; 125.05, subdivision 2; 135A.15; 168.042, subdivisions 2 and 4; 169.121, subdivisions 3, 3a, 3c, 4, and 5; 169.123, subdivision 4; 204B.36, subdivision 4; 241.67, subdivisions 3, and by adding a subdivision; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 4, 5, and by adding subdivisions; 244.09, by adding a subdivision; 259.11; 270A.03, subdivision 5; 488A.021, subdivision 3; 488A.19, subdivision 3; 595.02, subdivision 4; 609.033; 609.0341; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5; 609.152, subdivision 3; 609.19; 609.224, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.531, subdivision 6a; 609.5312, subdivision 1; 611A.52, subdivision 6; 624.714, subdivisions 1, 7 and by adding subdivision; 630.36, subdivision 1, and by adding a subdivision; 631.035; 631.07; Minnesota Statutes 1991 Supplement, sections 121.88, subdivision 10; 125.185, subdivision 4a; 169.123, subdivision 2; 171.29, subdivision 2; 171.30, subdivision 2a; 243.166, subdivision 1; 259.10; 260.125, subdivision 3; 260.161, subdivision 3; 518B.01, subdivision 14; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 126; 169; 244; 256F; 290; 299A; 526; 609; 611A; 617; and 626; repealing Minnesota Statutes 1990, section 204B.36, subdivision 5.

Referred to the Committee on Judiciary.

Mr. Pogemiller introduced—

S.F. No. 1984: A bill for an act relating to taxation; providing that non-itemizers may subtract from federal taxable income the amount of school expenses paid; amending Minnesota Statutes 1990, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Ms. Piper, Mmes. Pariseau; Benson, J.E.; Mses. Traub and Berglin introduced—

S.F. No. 1985: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

Mr. Mehrkens introduced—

S.F. No. 1986: A bill for an act relating to disabled persons; reducing fee for Minnesota identification card for physically disabled person; amending Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3.

Referred to the Committee on Transportation.

Mrs. Pariseau, Mses. Olson, Ranum, Mrs. Benson, J.E. and Ms. Johnston introduced—

S.F. No. 1987: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

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

S.F. No. 1988: A bill for an act relating to the department of finance; providing for state financial management reform; defining and dealing with working papers; amending Minnesota Statutes 1990, sections 16A.04, subdivision 1; 16A.11, by adding a subdivision; 16A.14, by adding a subdivision; and 16A.15, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16A.105; 16A.11, subdivision 1; and 16A.15, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Finance.

Messrs. Morse, Renneke, Metzen, Stumpf and Pogemiller introduced—

S.F. No. 1989: A bill for an act relating to retirement; local police and salaried firefighters' relief associations; authorizing hospital and medical insurance units to pensioners, surviving spouses and dependents; adjusting certain requirements governing the preparation of actuarial valuations and the calculation of municipal funding requirements; amending Minnesota Statutes 1990, sections 69.031, subdivision 5; 69.77, subdivision 2b; and 423A.01, subdivision 2; Minnesota Statutes 1991 Supplement, section 356.216; proposing coding for new law in Minnesota Statutes, chapter 423A.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 1990: A bill for an act relating to education; extending or exempting consolidating districts from the state aid penalty for failure to meet the

deadline for collective bargaining agreements; amending Minnesota Statutes 1990, section 124A.22, subdivision 2a.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1991: A bill for an act relating to education; authorizing the state board of technical colleges to contract to provide services; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1992: A bill for an act relating to game and fish; making the commissioner of natural resources responsible for removing deer killed by motor vehicles on public roads; amending Minnesota Statutes 1990, section 97A.502.

Referred to the Committee on Environment and Natural Resources.

Ms. Flynn and Mr. DeCramer introduced—

S.F. No. 1993: A bill for an act relating to transportation; providing tax incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; increasing the penalty for assaulting a transit operator; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.19, subdivision 1; 216C.15, subdivision 1; 290.01, subdivision 19b, and by adding a subdivision; and 609.2231, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 290; and 473.

Referred to the Committee on Transportation.

Ms. Berglin, Mr. Spear and Ms. Flynn introduced—

S.F. No. 1994: A bill for an act relating to human services; authorizing an exception to the moratorium on new negotiated rate facilities for a specialized housing program for chronic inebriates; amending Minnesota Statutes 1991 Supplement, section 256I.04, subdivision 3.

Referred to the Committee on Health and Human Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 27, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTIETH DAY

St. Paul, Minnesota, Thursday, February 27, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Leslie G. Svendsen.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Bernhagen and Day were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

December 11, 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:

MINNESOTA RACING COMMISSION

James H. Filkins, 10600 Aquila Avenue South, Bloomington, Hennepin County, Minnesota, has been appointed by me, effective December 16, 1991, for a term expiring on June 30, 1995.

(Referred to the Committee on Gaming Regulation.)

December 12, 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:

GAMBLING CONTROL BOARD

Dorothy Liljegen, R.R. 1, Box 246F, Pequot Lakes, Crow Wing County, Minnesota, has been appointed by me, effective August 19, 1991, for a term expiring on June 30, 1994.

(Referred to the Committee on Gaming Regulation.)

December 20, 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:

STATE BOARD OF TECHNICAL COLLEGES

Terance Smith, 673 Schilling Circle Northwest, Forest Lake, Washington County, Minnesota, has been appointed by me, effective December 23, 1991, for a term expiring on the first Monday in January, 1994.

(Referred to the Committee on Education.)

February 7, 1992

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:

MINNESOTA RURAL FINANCE AUTHORITY

Vivian Evans, Route 3, Box 9, Montevideo, Chippewa County, Minnesota, has been appointed by me, effective February 13, 1992, for a term expiring on the first Monday in January, 1996.

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

Warmest regards,
Arne H. Carlson, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 574. The motion prevailed.

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

S.F. No. 1789: A bill for an act relating to health; extending the deadline for commencing construction of a nursing home project that was granted a nursing home moratorium exception; amending Minnesota Statutes 1990, section 144A.073, subdivision 3a.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency board for quality assurance may recommend that the commissioner of health grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency board shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the board. The commissioners of human services and health shall provide staff and technical assistance to the board for the review and analysis of proposals. The interagency board shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The board shall submit recommendations within 150 days of the date of the publication of the notice, based on a comparison and ranking of proposals using the criteria in subdivision 4. The commissioner of health shall approve or disapprove a project within 30 days after receiving the board's recommendations. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires ~~12~~ 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 3, paragraph (b). The board's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Sec. 2. Minnesota Statutes 1990, section 144A.073, subdivision 3a, is amended to read:

Subd. 3a. [EXTENSION OF APPROVAL OF A PROJECT REQUIRING AN EXCEPTION TO THE NURSING HOME MORATORIUM.] Notwithstanding subdivision 3, a construction project that was approved by the commissioner under the moratorium exception approval process in this section prior to ~~February 1, 1990~~ *July 1, 1992*, may be commenced more than ~~12~~ *18* months after the date of the commissioner's approval but no later than July 1, ~~1992~~ *1994*, or *12 months after the effective date of a nursing home property-related payment system enacted to replace the current rate freeze in section 256B.431, subdivision 12, whichever is later.*

Sec. 3. [REPEALER.]

Laws 1991, chapter 292, article 4, section 77, subdivision 9, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to health; extending the deadline for commencing construction of nursing home projects granted nursing home moratorium exceptions; repealing a condition on approval of nursing home moratorium exception projects; amending Minnesota Statutes 1990, section 144A.073, subdivisions 3 and 3a; repealing Laws 1991, chapter 292, article 4, section 77, subdivision 9."

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. 1608: A bill for an act relating to occupational health and safety; requiring a study of video display terminal operators health risks; 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. [VIDEO DISPLAY TERMINAL OPERATOR HEALTH STUDY.]

The commissioner of the department of labor and industry shall study and identify the occupational health problems associated with the operation of video display terminals. The commissioner shall review existing literature on the subject and may conduct additional research. The commissioner shall recommend solutions to any health problems that are identified, including carpal tunnel syndrome and wear or damage to the eyes of an operator.

The commissioner shall study the potential savings and benefits to employers in reduced workers' compensation claims and days lost off work due to providing ergonomically correct work stations, antiglare screens, and other features and programs, including education and training, designed to prevent injury or illness to video display terminal operators. The commissioner shall also study the effects of implementation of other state, county, and

city laws, regulations, and ordinances regulating video display terminal operators and the ability of employers to comply with those laws, regulations, and ordinances.

The commissioner shall report the results of the study and make recommendations to the legislature by January 1, 1993."

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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1648: A bill for an act relating to the agricultural economy; authorizing certain obligations to assist in the use of agricultural industrial facilities in the city of Detroit Lakes; appropriating money.

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

Page 1, delete lines 8 to 12 and insert:

"Subdivision 1. [USE OF PROCEEDS.] The rural finance authority shall issue and sell revenue bonds for the purposes provided in this section in the aggregate principal amount of up to \$10,000,000."

Page 1, line 23, delete everything after the period

Page 1, delete lines 24 and 25

Page 2, delete lines 1 and 2

Page 2, line 19, after the period, insert *"Money may be disbursed from this appropriation only for costs related to the sale of facilities. The authority shall account to the commissioner of finance in detail about disbursements from the appropriation. Any unused part of the appropriation shall cancel to the general fund."*

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1922: A bill for an act relating to insurance; regulating the structure and functions of the Minnesota automobile insurance plan; amending Minnesota Statutes 1990, sections 65B.01; 65B.02, subdivisions 1, 4, and 7; 65B.03, subdivision 1; 65B.04, subdivisions 3 and 4; 65B.05; 65B.06; 65B.07, subdivision 4; 65B.08, subdivisions 1 and 2; 65B.09; 65B.10; and 65B.12, subdivision 1; repealing Minnesota Statutes 1990, sections 65B.04, subdivisions 1 and 2; and 65B.07, subdivision 2.

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

Page 3, after line 32, insert:

"Sec. 6. Minnesota Statutes 1990, section 65B.04, is amended by adding a subdivision to read:

Subd. 1a. [PLAN.] The plan of operation consists of the operation procedures of the facility."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "and 4" and insert ", 4, and by adding a subdivision"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1689: A bill for an act relating to insurance; property and casualty; regulating certain terminations and modifications or changes to certain agent agreements; modifying the definition of loss ratio experience; modifying membership in the board of review; amending Minnesota Statutes 1990, sections 60A.172; and 60A.177, subdivision 3.

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

Page 2, line 7, after the period, insert "*The third member shall be mutually agreed upon by both parties. If the parties do not agree upon a third member,*"

Page 2, line 12, after the period, insert "*The insurer and the agent shall each pay one-half of any fee charged by the American Arbitration Association or by the review board member provided by the American Arbitration Association.*"

Page 2, after line 19, insert:

"Sec. 3. [EFFECTIVE DATE.]

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

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

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

S.F. No. 574: A bill for an act relating to health; codifying case law regarding abortion; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Page 1, after line 5, insert:

"Section 1. [PREAMBLE; POLICY STATEMENT.]

This act is enacted by the legislature of the state of Minnesota in order to protect the right of the women of Minnesota to choose a safe, legal abortion."

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

And when so amended the bill do pass. Mr. Benson, D.D. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1669: A bill for an act relating to watercraft; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

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

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

S.F. No. 1866: A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to persons not otherwise liable who undertake and complete cleanup actions under an approved cleanup plan; providing for submission and approval of cleanup plans and supervision of cleanup by the commissioner of the pollution control agency; authorizing the commissioner of the pollution control agency to issue determinations or enter into agreements with property owners near the source of releases of hazardous substances regarding future cleanup liability; appropriating money; amending Minnesota Statutes 1990, section 115B.17, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

Page 2, line 17, after "all" insert "known"

Page 2, delete lines 25 to 29

Page 4, after line 3, insert:

"(b) A voluntary response action plan submitted for approval of the commissioner must include an investigation report that describes the methods and results of an investigation of the releases and threatened releases at the identified area of real property. The commissioner must not approve the voluntary response action plan unless the commissioner determines that the nature and extent of the releases and threatened releases at the identified area of real property have been adequately identified and evaluated in the investigation report."

Page 4, line 4, delete "(b)" and insert "(c)"

Page 4, line 9, delete "(c)" and insert "(d)"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1855: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

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

Page 1, line 10, after "1986" insert ", as amended through December 31, 1991,"

Page 1, delete lines 11 and 12

Page 1, line 13, delete "*organization has*" and insert "*shall have*" and delete "*the person*" and insert "*an individual*"

Page 1, line 14, after "*insured*" insert "*under a life insurance policy*" and after the comma, insert "*if the assignment of the beneficiary is irrevocable and*"

Page 1, delete lines 21 to 24

Page 1, line 25, delete "3" and insert "2"

Page 2, after line 2, insert:

"Sec. 2. [61A.074] [INSURABLE INTERESTS.]

Subdivision 1. [CORPORATION OR TRUSTEE.] A corporation has an insurable interest in the lives of any of its directors, officers, and employees. The trustee of a trust providing life, health, disability, retirement, or similar benefits to employees of one or more corporations, and acting in a fiduciary capacity with respect to the employees, retired employees, or their dependents or beneficiaries, has an insurable interest in the lives of employees for whom the benefits are to be provided.

Subd. 2. [OTHER INSURABLE INTERESTS.] Subdivision 1 does not prohibit a corporation or trustee from insuring the life of an individual that is otherwise insurable under any other law."

Page 2, line 5, after "1986" insert ", as amended through December 31, 1991."

Page 2, line 9, delete "and 2" and insert "to 3"

Page 2, line 10, delete everything after "*enactment*" and insert a period

Page 2, delete line 11

Renumber the sections in sequence

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

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

S.F. No. 1829: A bill for an act relating to the environment; changing provisions relating to waste tires; appropriating money; amending Minnesota Statutes 1990, sections 115A.90, by adding a subdivision; 115A.908, subdivision 3; 115A.912; 115A.913; and 115A.914.

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

Page 2, delete lines 11 and 12 and insert:

"(b) *The agency may award grants and loans only for projects that:*"

Page 2, line 13, delete "*processes or products that*"

Page 2, line 14, after the semicolon, insert "*or*"

Page 2, line 15, delete "*products that*"

Page 2, line 16, delete the semicolon and insert a period

Page 2, delete lines 17 to 19 and insert:

"In awarding grants and loans, the agency shall give priority to projects that have reasonable potential to use a relatively greater number of waste tires and shall give priority to projects described in clause (1) over projects described in clause (2)."

Page 3, line 27, delete everything after "I"

Page 3, line 28, delete "program"

Page 4, delete lines 5 to 7

Page 4, line 9, delete the colon

Page 4, line 10, delete the paragraph coding and delete "(1)"

Page 4, line 12, delete "; and"

Page 4, delete line 13

Page 4, line 14, delete everything before the period

Page 5, after line 5, insert:

"Sec. 7. [REPEALER.]

Minnesota Statutes 1990, section 115A.913, subdivision 3, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, before the period, insert "; repealing Minnesota Statutes 1990, section 115A.913, subdivision 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. 1790: A bill for an act relating to housing; modifying requirements for lead education, assessment, screening, and abatement; transferring rule authority from the commissioner of the pollution control agency to the commissioner of health; establishing a lead abatement account in the housing development fund; creating a lead abatement and training program; establishing a lead abatement program; creating a lead fund; establishing a lead abatement fee on petroleum storage tanks; establishing a paint tax; providing penalties; amending Minnesota Statutes 1990, sections 144.871, subdivisions 6, 8, and by adding subdivisions; 144.872, subdivisions 1, 2, 4, and by adding a subdivision; 144.873, subdivisions 2 and 3; 144.876; and 144.878, subdivision 2, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144.871, subdivision 2; 144.873, subdivision 1; 144.874, subdivisions 1 and 12; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapters 115C; and 268; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4.

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

Delete everything after the enacting clause and insert:

“ARTICLE I

LEAD ABATEMENT STANDARDS

Section 1. Minnesota Statutes 1991 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] “Abatement” means removal of, replacement of, or encapsulation of *deteriorated* paint, bare soil, dust, drinking water, or other materials that are *or may become* readily accessible during the *abatement process* and pose an immediate threat of actual lead exposure to people. ~~The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.~~

Sec. 2. Minnesota Statutes 1990, section 144.871, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] “Abatement contractor” means any person hired by a property owner or resident to perform abatement of a lead source in violation of standards under section 144.878.

Sec. 3. Minnesota Statutes 1990, section 144.871, subdivision 6, is amended to read:

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] “Elevated blood lead level” *in a child no more than six years old or in a pregnant woman* means at least ~~25~~ *ten* micrograms of lead per deciliter of *venous* whole blood unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 4. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 7a. [HIGH RISK FOR TOXIC LEAD EXPOSURE.] “High risk for toxic lead exposure” means either:

(1) that elevated blood lead levels have been diagnosed in a population of children or pregnant women; or

(2) without blood lead data, that a population of children or pregnant women resides in:

(i) a census tract with many residential structures known to have or suspected of having deteriorated paint; or

(ii) a census tract with a median soil lead concentration greater than 100 parts per million for any sample collected according to Minnesota Rules, part 4761.0400, subpart 8, and rules adopted under section 144.878.

Sec. 5. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 7b. [PRIMARY PREVENTION.] “Primary prevention” means performance of swab team services, encapsulation, and removal and replacement abatement, including lead cleanup and health education, before children develop elevated blood lead levels.

Sec. 6. Minnesota Statutes 1990, section 144.871, subdivision 8, is amended to read:

Subd. 8. [SAFE HOUSING.] “Safe housing” means a residence that does not ~~violate~~ *have deteriorating paint, bare soil, lead dust, or which violates*

any of the standards adopted according to section 144.878, subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 9. [SWAB TEAM.] "Swab team" means a person or persons who implement in-place management of lead exposure sources, which includes:

(1) covering or replacing bare soil and establishing safe exterior play and garden areas;

(2) removing loose paint and paint chips and installing guards to protect intact paint;

(3) removing lead dust by washing, vacuuming, and cleaning the interior of residential property including carpets; and

(4) other means, including cleanup and health education, that immediately protect children who engage in mouthing or pica behavior from lead sources.

Sec. 8. Minnesota Statutes 1990, section 144.872, subdivision 1, is amended to read:

~~Subdivision 1. [PROACTIVE LEAD EDUCATION STRATEGY.] For fiscal years 1990 and 1991, The commissioner shall contract with boards of health in communities at high risk for toxic lead exposure to children, lead advocacy organizations, and businesses to design and implement a uniform, proactive educational program to introduce to conduct a proactive lead education program to provide information on the requirements of sections 144.871 to 144.878 and proper maintenance and cleaning of lead sources and to promote the prevention of exposure to all sources of lead to target populations. Priority shall be given to providing~~ *The boards of health must provide information on lead cleanup and health education to the legal guardian of a child with a blood lead level of at least ten micrograms per deciliter. The boards of health must provide lead-related health education to the residents of neighborhoods where a significant number, as defined by the commissioner, are found to be at high risk for toxic lead exposure. Ongoing education that includes health, lead cleanup and the lead laws and rules shall be provided to health care and social service providers, registered licensed abatement contractors, other contractors, building trades professionals and nonprofessionals, property owners, and parents. Educational materials shall be multilingual and multicultural to meet the needs of diverse populations. The commissioner shall create and administer a program to fund locally based community-based advocates and public health nurses specifically trained in lead cleanup and health-related aspects of lead exposure who, following the issuance of an abatement order, shall visit the family in their residence periodically throughout the abatement process, as needed to instruct them about health effects, safety measures, community resources, legal resources under the abatement process, housing resources, nutrition, health follow-up, materials, and methods to be followed before, during, and after the abatement process. If the family moves or has moved to a new residence, services in this section must be provided at the new residence. The commissioner shall give priority to neighborhood residents when hiring community-based advocates.*

Sec. 9. Minnesota Statutes 1990, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS.] The commissioner shall contract

with boards of health to conduct assessments to determine sources of lead contamination in the residences of ~~children and~~ pregnant women whose blood lead levels ~~exceed 25~~ are at least ten micrograms per deciliter and of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels. Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

Sec. 10. Minnesota Statutes 1990, section 144.872, subdivision 3, is amended to read:

Subd. 3. [SAFE HOUSING.] The commissioner shall contract with boards of health for safe housing to be used in meeting relocation requirements in section 144.874, subdivision 4. The commissioner shall, within available appropriations, award grants to boards of health for the purposes of paying housing costs under section 144.874, subdivision 4.

Sec. 11. Minnesota Statutes 1990, section 144.872, subdivision 4, is amended to read:

Subd. 4. [~~PAINT REMOVAL~~ LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.] State ~~matching~~ funds shall be made available for under a grant program to community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase ~~and provide paint removal~~ lead cleanup equipment and educational materials, and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and certified trainers to meet the requirements of this program. Equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, ~~and~~ dust and particle containment material, and other cleanup and containment materials to patch loose paint and plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil. Upon certification, the grantees may make equipment and educational materials available to residents and property owners and instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis. The commissioner shall conduct or contract for training of a swab team whose first priority must be service to those areas of Minnesota that are not cities of the first class. This team may secondarily serve cities of the first class as time and resources permit.

Sec. 12. Minnesota Statutes 1990, section 144.872, is amended by adding a subdivision to read:

Subd. 5. [SWAB TEAMS.] The commissioner shall, within the limits of available appropriations, contract to conduct reduction of lead exposure through swab teams hired and trained to clean up at the residences of children and pregnant women who are newly identified as having elevated blood lead levels.

Sec. 13. Minnesota Statutes 1991 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner ~~confirmed finger stick and venipuncture~~ blood lead results of ~~at least five micrograms per deciliter~~ and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, ~~bare~~ soil, dust, and drinking water that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878. The commissioner shall require the date of the text, and the current address and birthdate of the patient, and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public, including the date of the test and the address of the patient.

Sec. 14. Minnesota Statutes 1990, section 144.873, subdivision 2, is amended to read:

Subd. 2. [TEST OF CHILDREN IN HIGH RISK AREAS.] Within limits of available appropriations, the commissioner shall promote and subsidize a blood lead test of all children under six years of age who live in ~~the all areas of high risk areas of Minneapolis, St. Paul, and Duluth~~ for toxic lead exposure that are currently known or subsequently identified. Within the limits of available appropriations, the commissioner shall conduct surveys, especially soil assessments larger than a residence, in greater Minnesota communities where a case of elevated blood lead levels has been reported.

Sec. 15. Minnesota Statutes 1990, section 144.873, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE LEAD SCREENING.] Statewide lead screening by ~~erythrocyte protoporphyrin test~~ blood lead assays in conjunction with routine blood tests analyzed by atomic absorption equipment or other equipment with equivalent or better accuracy shall be advocated by boards of health.

Sec. 16. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence, within five working days of receiving notification that the criteria in this subdivision have been met, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood;
or

(2) a child in the residence is identified as having ~~an elevated~~ a blood lead level at or above 20 micrograms per deciliter; or

(3) a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification.

Within the limits of appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878.

Sec. 17. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase by January 1, 1993, a residential lead assessment guide that enables parents to assess the possible lead sources present and that suggests actions. *The guide must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the persons to either perform the abatement or to intelligently select an abatement contractor. In addition, the guide must:*

- (1) meet the requirements of Minnesota laws and rules;*
- (2) be understandable at an eighth grade reading level;*
- (3) include information on all necessary safety precautions for all lead source cleanup; and*
- (4) be the best available educational material.*

(b) A board of health must provide the residential lead assessment guide to:

- (1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and
- (2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 18. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. ~~The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.~~

Sec. 19. Minnesota Statutes 1990, section 144.874, subdivision 4, is amended to read:

Subd. 4. [RELOCATION OF RESIDENTS.] A board of health must ensure that residents are relocated from rooms or dwellings during abatement that generates leaded dust, such as removal or disruption of lead-based paint or plaster that contains lead. Residents must be allowed to return to the residence or dwelling after completion of abatement. *A board of health shall use grant funds under section 144.872, subdivision 3, to pay for: (1) moving and housing costs for any resident temporarily relocated during lead abatement; and (2) moving costs and damage deposit or first month rent for residents who permanently lose their housing due to lead contamination. Payments under this section must not exceed \$500 per household.*

Sec. 20. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 12, is amended to read:

Subd. 12. [ENFORCEMENT AND STATUS REPORT.] The commissioner shall examine compliance with Minnesota's existing lead standards and rules and report to the legislature ~~by January 15, 1992, on biennially, beginning February 15, 1993, including an evaluation of current levels of compliance~~ *lead program activities by the state and boards of health, the need for any additional enforcement procedures, recommendations on developing a method to enforce compliance with lead standards and cost estimates for any proposed enforcement procedure. The report must also include a geographic analysis of all blood lead assays showing incidence data and environmental analyses reported or collected by the commissioner.*

Sec. 21. Minnesota Statutes 1990, section 144.876, is amended to read:

144.876 [REGISTRATION AND LICENSING OF ABATEMENT CONTRACTORS AND CERTIFICATION OF EMPLOYEES.]

Subdivision 1. [LICENSING AND CERTIFICATION.] Abatement contractors must register with, within 180 days after rules are adopted under section 144.878, subdivision 5, obtain a license from the commissioner according to forms and procedures prescribed by the commissioner. Employees of abatement contractors must obtain certification from the commissioner. The commissioner shall specify training and testing requirements for licensure and certification and shall charge a fee for the cost of issuing a license or certificate and for training provided by the commissioner. The commissioner shall provide the contractor with a written violation notice, and may revoke the license of an abatement contractor, or the certificate of an employee, upon finding that the contractor or employee has violated the rules adopted under section 144.878 in a manner that poses unreasonable risk to public health.

Subd. 2. [LICENSED BUILDING CONTRACTOR; INFORMATION.] The commissioner shall provide health and safety information on lead abatement to all residential building contractors licensed under section 326.84. The information must include material on ways to protect the health and safety of both employees working on lead contaminated structures and residents of lead contaminated structures.

Subd. 3. [UNLICENSED ABATEMENT CONTRACTORS.] Contractors may not advertise or otherwise present themselves as abatement contractors unless they have abatement licenses issued by the department of health under rules adopted under section 144.878, subdivision 5.

Sec. 22. Minnesota Statutes 1990, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) ~~By January 31, 1991,~~ The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. *The commissioner shall define the specific meaning given to the criteria in the definition of high risk for toxic lead exposure.* The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that intact paint is ~~accessible to children~~ as a chewable or lead-dust producing surface ~~and that is a known source of actual lead exposure to a specific person.~~ In adopting rules under this subdivision, the commissioner shall require the best available technology for abatement methods, paint stabilization, and repainting.

(b) ~~By January 31, 1991,~~ The commissioner of the ~~pollution control agency~~ *health* shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment.

(c) ~~By January 31, 1991,~~ The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods ~~is and disposal of any hazardous waste are~~ conducted in a manner that protects public health and the environment.

(d) All standards adopted under this subdivision must provide adequate margins of safety that are consistent with a detailed review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

Sec. 23. Minnesota Statutes 1990, section 144.878, is amended by adding a subdivision to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license abatement contractors; to certify employees of lead abatement contractors who perform abatement; and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. The rules must include standards and procedures for on-the-job training for swab teams. All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. At least 30 days before publishing notice of rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committees in the house of representatives and the senate, and to any legislative committee on licensing created by the legislature.

Sec. 24. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be

consistent with the standards established for real estate agents and other professions licensed by the department of commerce. *At a minimum, the content of one hour of any required continuing education must contain information on lead abatement rules, and safe lead abatement procedures.*

Sec. 25. [144.879] [LOCAL MANDATES; PRIORITIZATION.]

Nothing in sections 144.691 to 144.878 requires boards of health or other units of local government to provide services or resources beyond the limits of funding provided by the state for these purposes. If funding is insufficient to provide all needed services required under sections 144.691 to 144.878, a board of health, in consultation with the commissioner of health, shall establish priorities for the use of available funding.

Sec. 26. [REVISOR INSTRUCTION.]

In Minnesota Statutes and Minnesota Rules, the revisor shall recodify Minnesota Statutes, section 116.53, subdivision 2, as part of Minnesota Statutes, chapter 144, and shall change the terms "commissioner of the pollution control agency," "pollution control agency," and similar terms to "commissioner of health," "department of health," and similar terms.

Sec. 27. [REPEALER.]

Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4, are repealed.

ARTICLE 2

ABATEMENT AND TRAINING

Section 1. [268.92] [LEAD ABATEMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Advisory committee" means the committee established in subdivision 4.

(b) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(c) "Certified trainer" means a lead trainer certified by the commissioner of health under section 144.878, subdivision 5.

(d) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(e) "Commissioner" means the commissioner of jobs and training.

(f) "Eligible organization" means a licensed contractor, certified trainer, a board of health, a community health department city, a community action agency as defined in section 268.52, or a community development corporation.

(g) "High risk for toxic lead exposure" has the meaning given in section 144.871.

(h) "Licensed contractor" means a contractor licensed by the department of health under section 144.876.

(i) "Removal and replacement abatement" means lead abatement on residential property that requires retrofitting and conforms to the rules established under section 144.878.

(j) "Swab team" has the meaning given in section 144.871.

Subd. 2. [ADMINISTRATION.] The commissioner may make demonstration and training grants to eligible organizations for programs to train workers for swab teams and removal and replacement abatement and to provide swab team services and removal and replacement abatement for residential property. The advisory committee must review the applications and provide to the commissioner a list of recommended awards to eligible organizations that the advisory committee determines meet the requirements for receiving a grant under this section.

Subd. 3. [APPLICANTS.] (a) Interested eligible organizations must apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (d). The commissioner shall award grants to organizations for swab team training and services and lead removal and replacement.

(b) Grants must be awarded only to eligible organizations. Grant awards to organizations that provide swab teams administered by the commissioner of health must be made in coordination with the commissioner of health who must, in turn, contract, under section 144.872, with boards of health to provide one swab team in each city of the first class and two for the remainder of the state. Swab teams that are not engaged on a daily basis in fulfilling the requirements of section 144.872, subdivision 5, must deliver swab team services in census tracts known to be at high risk for toxic lead exposure.

(c) Any additional grants shall be made to establish swab teams for primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure.

(d) In evaluating grant applications, the commissioner shall consider the following criteria:

(1) the use of licensed contractors and certified lead abatement workers for residential lead abatement;

(2) the participation of neighborhood groups and individuals, as swab team members, in areas at high risk for toxic lead exposure;

(3) plans for the provision of primary prevention through swab team services in areas at high risk for toxic lead exposure on a census tract basis without environmental lead testing;

(4) plans for supervision, training, career development, and postprogram placement of swab team members;

(5) plans for resident and property owner education on lead safety;

(6) plans for distributing cleaning supplies to area residents and educating residents and property owners on cleaning techniques;

(7) cost estimates for training, swab team services, equipment, monitoring, and administration;

(8) measures of program effectiveness; and

(9) coordination of program activities with other federal, state, and local public health, job training, apprenticeship, and housing renovation programs including the emergency jobs program under sections 268.672 to

268.881.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a 15-member advisory committee under section 15.059 to assist in selecting eligible organizations to receive grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of health, housing finance agency, pollution control agency, and jobs and training; a representative of the chancellor of vocational education, and a board of health; and nine public members appointed by the commissioner. Four public members, including two from communities of color, must represent separate neighborhood groups from areas at high risk for toxic lead exposure. Each of the following groups must be represented by one or more public member recommended to the commissioner by the organization: a community action agency, a labor organization, a local housing authority, a legal aid society, and the lead coalition. The commissioner may provide staff to the advisory committee to assist in carrying out its purpose.

Subd. 5. [LEAD ABATEMENT CONTRACTORS.] (a) Organizations and licensed lead abatement contractors may participate in the lead abatement program. An organization receiving a grant under this section must ensure that all participating contractors are licensed and that all swab team and removal and replacement employees are certified by the department of health under section 144.878, subdivision 5. Organizations and licensed contractors may distinguish between interior and exterior services in assigning duties and may participate in the program by:

- (1) providing on-the-job training for swab teams;*
 - (2) providing swab team services to the commissioner of health to meet the requirements of section 144.872;*
 - (3) providing removal and replacement abatement using skilled craft workers;*
 - (4) providing primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure;*
 - (5) providing lead dust cleaning supplies, as described in section 144.872, subdivision 4, to residents; or*
 - (6) instructing residents and property owners on appropriate lead control techniques.*
- (b) Participating licensed contractors must:*
- (1) demonstrate proof of workers' compensation and general liability insurance coverage;*
 - (2) be knowledgeable about lead abatement requirements established by the department of housing and urban development and the occupational safety and health administration;*
 - (3) demonstrate experience with on-the-job training programs;*
 - (4) demonstrate an ability to recruit employees from areas at high risk for toxic lead exposure; and*
 - (5) demonstrate experience in working with low-income clients.*

Subd. 6. [LEAD ABATEMENT EMPLOYEES.] Each worker providing swab team services or removal and replacement abatement in programs established under this section must have blood lead concentrations below 15 micrograms per deciliter as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must ensure that all workers in lead abatement programs receiving grant funds under this section meet the standards established in this subdivision. Grantees must use appropriate workplace procedures to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms per deciliter to the commissioner of health.

Subd. 7. [SWAB TEAM SERVICE STANDARDS.] Swab teams, when providing services, must comply with the standards and methods established under section 144.878 for all lead sources except the standard for lead in soil. The swab team service standard for lead in bare soil shall be a concentration of 100 parts per million.

Subd. 8. [ON-THE-JOB TRAINING COMPONENT.] (a) Programs established under this section must provide on-the-job training for swab teams. Training methods must follow procedures established under section 144.878, subdivision 5.

(b) Swab team members must receive monetary compensation equal to the prevailing wage as defined in section 177.42, subdivision 6, for comparable jobs in the licensed contractor's principal business.

Subd. 9. [REMOVAL AND REPLACEMENT COMPONENT.] Programs established under this section shall follow abatement orders issued by the board of health. For primary prevention, if no abatement order exists, programs must identify if a need exists for removal and replacement abatement in residential properties. All removal and replacement abatement must be done using least-cost methods that meet the standards of section 144.878, subdivision 2. Removal and replacement abatement must be done by licensed lead abatement contractors. All craft work that requires a state license must be supervised by persons who have completed a state license in the craft work being supervised. The program design must:

(1) identify the need for trained swab team workers and removal and replacement abatement workers;

(2) describe plans to involve appropriate groups in designing methods to meet the needs for trained workers; and

(3) include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other education programs.

Subd. 10. [PROGRAM BENEFITS.] As a condition of providing lead abatement under this section, organizations may enter into agreements with a property owner requiring that, for a period of two years, the owner shall not increase rents on a property solely as a result of a substantial property improvement made with public funds provided by the programs in this section.

Subd. 11. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An eligible organization that is awarded a training and demonstration grant under this section shall prepare and submit a progress report to the commissioner by February 15, 1993.

Subd. 12. [REPORT.] The commissioner shall prepare and submit a report to the legislature and the governor by March 15, 1993, that describes the various programs that received grants under this section and makes recommendations for program changes.

Sec. 2. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 15c, is amended to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] It may make or purchase loans or grants for ~~the removal and replacement abatement, as defined in section 1,~~ of hazardous levels of lead ~~paint in residential buildings and lead contaminated soil in violation of standards under section 144.878~~ on the property of residential buildings occupied primarily by persons or families of low- and moderate-income persons. ~~Hazardous levels are as determined by the department of health or the pollution control agency.~~ The agency must establish ~~grant~~ criteria for a residential lead ~~paint and lead contaminated soil~~ abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible owners, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, ~~registered lead abatement contractors,~~ and non-profit organizations for the purpose of administering a residential lead ~~paint and contaminated lead soil~~ abatement program. No loan or grant may be made for lead ~~paint~~ abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section. The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency may require a property owner, as a condition of receiving a grant or loan under this section, to enter into an agreement requiring that, for a period of two years, the owner will not increase rents on a property solely as a result of property improvements made with funds under this section.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 on the costs and benefits of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential lead abatement and report to the legislature with examples, case studies and recommendations. *The agency shall report biennially to the legislature on its activities concerning lead abatement.*

Sec. 3. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 4m. [RESIDENTIAL LEAD ABATEMENT.] *It may expend money for the purposes of section 462A.05, subdivision 15c, including establishing a revolving loan fund, and may pay the costs and expenses necessary incidental to the development and operation of a residential lead abatement loan and grant program.*

ARTICLE 3

LEAD FUND

Section 1. [115C.081] [LEAD FEE.]

A lead fee is imposed on the use of storage tanks that are subject to the

petroleum tank release cleanup fee imposed under section 115C.08, subdivision 3, and are located within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, St. Louis, or Washington county. The fee must be collected at the same time and in the same manner as the petroleum tank release cleanup fee, except the commissioner of revenue must collect the fee as provided in this section regardless of the balance in the petroleum tank release cleanup account. The fee is imposed at the rate of \$10 per 1,000 gallons of petroleum products as defined in section 296.15, subdivision 2, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15. The commissioner of revenue must deposit the proceeds from the fee in the lead fund.

Sec. 2. [115C.082] [LEAD FUND.]

Subdivision 1. [FUND ESTABLISHED.] A lead fund is created in the state treasury. The fund consists of all revenue deposited in the fund under sections 115C.081 and 297E.01, subdivision 11, and all other money and interest made available to the fund by law.

Subd. 2. [USES OF FUND.] (a) Money in the lead fund may be appropriated for:

(1) all lead programs administered by the commissioner of jobs and training;

(2) all lead activities and programs administered by the commissioner of health; and

(3) all lead programs administered by the commissioner of the housing finance agency.

(b) Money in the lead fund is annually appropriated for lead abatement as follows:

(1) 25 percent, up to a maximum of \$, to the commissioner of health for lead activities and programs;

(2) ten percent, up to a maximum of \$, to the housing development fund for lead programs; and

(3) the remainder to the commissioner of jobs and training for lead abatement programs.

(c) Of the money appropriated to the commissioner of health under paragraph (b), clause (2), at least 90 percent must be used for grants to boards of health for services required under sections 144.871 to 144.878, to be allocated as follows: 75 percent based on the number of children with elevated blood levels in the prior year and 25 percent based on the number of children at high risk for toxic lead exposure.

Sec. 3. [297E.01] [WHOLESALE PAINT TAX.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms in this subdivision have the meanings given.

(a) "Commissioner" means the commissioner of revenue.

(b) "Paint" means a fluid, semifluid, or other material which changes to a solid film when a layer is applied to a metal, wood, stone, paper, leather, cloth, plastic, or other surface. Paint includes fluids with a suspension of finely divided coloring matter, stains, and varnishes. Paint does not include:

(1) printing inks or those materials that become a part of the substrate,

such as the pigment in a plastic article; or

(2) those materials that are bonded to the substrate, such as by electroplating or ceramic glazing.

(c) "Retailer" means a person who sells paint at retail to ultimate users. Retailer includes a person who buys paint for redistribution to one or more retail establishments the person owns or with which the person maintains a franchise agreement.

(d) "Wholesaler" means any person who sells or otherwise furnishes for resale purposes, from a stock maintained inside or outside the state, paint to one or more retailers within the state. Wholesaler includes a manufacturer of paint who sells paint directly to retailers.

Subd. 2. [TAX IMPOSED.] There is imposed a tax on the sale of each container of paint by a wholesaler to a retailer in the state. The rate of tax is ten cents per gallon or metric equivalent. The liability for the tax is incurred when the paint is delivered by the wholesaler to the retailer, to a common or contract carrier for delivery to the retailer, or when received by the customer's authorized representative at the wholesaler's place of business, regardless of the wholesaler's method of accounting or of the terms of the sale.

Subd. 3. [RETURNS.] The tax imposed by this section is due and payable on or before the 20th day of the month following the month in which the liability for the tax is incurred. Each wholesaler shall file a return monthly with the commissioner stating the total volume of paint the wholesaler has sold that is subject to the tax during the previous month. The commissioner may authorize returns to be filed via magnetic media or electronic data transfer.

Subd. 4. [TAX PERMIT.] Every wholesaler must file with the commissioner an application, on a form the commissioner prescribes, for a paint tax identification number and paint tax permit. A permit is not assignable and is valid only for the wholesaler in whose name it is issued.

Subd. 5. [RECORDS.] A wholesaler must keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of all paint held, purchased, manufactured, or brought in or caused to be brought in from outside the state, and all sales of paint. Books, records, and other papers and documents must be kept for a period of at least three years after the date of the documents, or the date of entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner or the commissioner's authorized agents may enter a wholesaler's place of business and inspect the premises and the records required to be kept under this section, to determine whether the provisions of this chapter are being fully complied with. If the commissioner or any of the commissioner's agents are denied free access to, or are hindered or interfered with in making an inspection of, a wholesaler's place of business, the commissioner may revoke the wholesaler's permit.

Subd. 6. [SUSPENSION; REVOCATION.] The commissioner, after giving notice, may for reasonable cause revoke or suspend a permit issued to a wholesaler under this section. The notice must be sent to the distributor at least 15 days before the effective date of the proposed suspension or revocation. The notice must give the reason for the proposed action and must direct the wholesaler to show cause why the proposed action should not be taken. The notice may be served personally or by mail. A suspension or revocation is a contested case under sections 14.57 to 14.69.

Subd. 7. [REFUND.] The commissioner shall allow a refund of tax paid under this section of (1) tax paid on a container, or case of containers, of paint that is returned to a wholesaler by a retailer, and the container or case is subsequently returned by the wholesaler to the manufacturer, and (2) tax paid in excess of the amount owed. The amounts necessary to make the refunds are appropriated to the commissioner from the lead fund.

Subd. 8. [COLLECTION; CIVIL PENALTIES.] The provisions of chapter 297A relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the tax, penalty, and interest imposed by this section. The commissioner shall impose civil penalties for violation of this section as provided in section 289A.60, and the additional tax and penalties are subject to interest at the rate provided in section 270.75.

Subd. 9. [RULES.] The commissioner may adopt rules, including emergency rules, for the administration and enforcement of this chapter.

Subd. 10. [PERSONAL DEBT.] The tax imposed by this section, penalties and interest thereon, is a personal debt of the person required to file a return from the time the liability for the tax arises, without regard to when the time for payment of the liability occurs. The debt is, in the case of the executor or administrator of the estate or a decedent and in the case of and fiduciary, that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

Subd. 11. [DEPOSIT OF FUNDS.] All revenues received under this chapter must be paid to the state treasurer for deposit in the lead fund.

Sec. 4. [297E.02] [VIOLATIONS.]

It is a gross misdemeanor for any person to:

(1) possess, with intent to evade the tax, paint on which the tax imposed by section 3 has not been paid;

(2) make a false statement on any return or other document filed with the commissioner under this chapter; or

(3) fail to keep, or to falsify, a record required to be kept under this chapter.

Sec. 5. [FUND BALANCE.]

For two fiscal years, beginning with the first full fiscal year following enactment of this article, the commissioner of finance shall notify the commissioner of revenue if the unencumbered balance in the lead fund established in section 2, reaches \$ After receiving such notification, the commissioner of revenue shall not impose the fee established in section 1 on the use of a tank. If the fee is not imposed for a period of time in one fiscal year because the fund balance exceeds the maximum amount established in this section, the commissioner of revenue shall impose the fee beginning on the first day of the next fiscal year regardless of the balance in the lead fund."

Amend the title as follows:

Page 1, line 12, after "subdivisions" insert "3,"

Page 1, line 14, after "2," insert "3,"

Page 1, line 15, after "3;" insert "144.874, subdivision 4;" and delete the second "and"

Page 1, line 16, after the semicolon, insert "and 462A.21, by adding a subdivision;"

Page 1, line 19, after "1" insert ", 2, 3," and after "12;" insert "326.87, subdivision 1;"

Page 1, line 21, after "115C;" insert "144;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1608, 1922, 1689, 1669 and 1855 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Kelly moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 1741. The motion prevailed.

Ms. Berglin moved that the name of Mr. Marty be added as a co-author to S.F. No. 1790. The motion prevailed.

Mrs. Pariseau moved that the names of Messrs. Vickerman and Frederickson, D.R. be added as co-authors to S.F. No. 1806. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Renneke and Laidig be added as co-authors to S.F. No. 1825. The motion prevailed.

Mr. Laidig moved that the name of Mr. Marty be added as a co-author to S.F. No. 1858. The motion prevailed.

Mr. Bertram moved that the name of Mr. Samuelson be added as a co-author to S.F. No. 1888. The motion prevailed.

Mr. Dahl moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1897. The motion prevailed.

Mr. Marty moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1909. The motion prevailed.

Mr. Morse moved that the name of Mr. Riveness be added as a co-author to S.F. No. 1910. The motion prevailed.

Mr. Beckman moved that the name of Mr. Sams be added as a co-author to S.F. No. 1923. The motion prevailed.

Mr. Dahl moved that the name of Mr. Frank be added as a co-author to S.F. No. 1924. The motion prevailed.

Mr. Kroening moved that the name of Mr. Frank be added as a co-author to S.F. No. 1939. The motion prevailed.

Mr. Pogemiller moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1943. The motion prevailed.

Mr. Mondale moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1950. The motion prevailed.

Ms. Berglin moved that the names of Mr. Frank and Ms. Johnson, J.B. be added as co-authors to S.F. No. 1969. The motion prevailed.

Ms. Ranum moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1973. The motion prevailed.

Mr. McGowan moved that the name of Mr. Neuville be added as a co-author to S.F. No. 1983. The motion prevailed.

Ms. Flynn moved that the name of Mr. Frank be added as a co-author to S.F. No. 1993. The motion prevailed.

Mr. Dicklich moved that S.F. No. 1298 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Energy and Public Utilities. The motion prevailed.

Mr. Dicklich moved that S.F. No. 1734 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Finance. The motion prevailed.

Mr. Price introduced—

Senate Resolution No. 112: A Senate resolution honoring Minnesota's Boy Scouts for their dedication to community service and the ideals of scouting.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 113: A Senate resolution congratulating Charles Aaberg on his 100th birthday, April 17, 1992.

Referred to the Committee on Rules and Administration.

Ms. Traub introduced—

Senate Resolution No. 114: A Senate resolution commending the students and staff of the Minnetonka Public Schools for their efforts to combat violence in their communities.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 115: A Senate resolution congratulating Clarence W. Peterson on his retirement after 43 years of service to the Lake Region Cooperative Electrical Association.

Referred to the Committee on Rules and Administration.

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. 687: Messrs. Dahl, Merriam and Novak.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

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

Senate Resolution No. 116: A Senate resolution relating to appointment of a committee to escort the Governor to the House Chamber for a Joint Convention.

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

The President of the Senate shall appoint a committee of five members of the Senate to act with a like committee on the part of the House of Representatives to escort the Honorable Arne H. Carlson, Governor of the State of Minnesota, to the House Chamber on the occasion of the Joint Convention on Thursday, March 5, 1992, at 6:45 p.m.

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

APPOINTMENTS

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

Mr. Beckman, Mrs. Benson, J.E.; Meses. Ranum, Traub and Mr. Terwilliger.

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. 1694, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Ranum, Messrs. Finn and Luther introduced—

S.F. No. 1995: A bill for an act relating to crimes; providing enhanced penalties for multiple violations of contractor fraud under mechanic's lien law; amending Minnesota Statutes 1990, section 514.02, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Kelly, Spear, Ms. Ranum, Messrs. McGowan and Marty introduced—

S.F. No. 1996: A bill for an act relating to commitments; modifying commitment procedures for persons who are mentally ill and dangerous to the public or psychopathic personalities; authorizing bonding for construction of an addition at the security hospital; appropriating money; amending Minnesota Statutes 1990, sections 253B.18, subdivision 2; 526.10; and 609.1351.

Referred to the Committee on Judiciary.

Messrs. Hottinger, Luther, Metzen, Belanger and Day introduced—

S.F. No. 1997: A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Referred to the Committee on Commerce.

Mr. Mehrkens introduced—

S.F. No. 1998: A bill for an act relating to motor vehicles; clarifying that catalytic converters may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 1999: A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Cohen and Ms. Berglin introduced—

S.F. No. 2000: A bill for an act relating to family law; modifying provisions dealing with the administration, computation, and enforcement of child support; modifying visitation provisions; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 257.67, subdivision 3; 357.021, subdivision 1a; 518.003, subdivision 3; 518.14; 518.171, subdivisions 1, 3, 4, 5, 6, 7, and 9; 518.175, subdivision 1; 518.54, subdivision 4; 518.551, subdivisions 1, 7, and 10, and by adding subdivisions; 518.57, subdivision 1, and by adding subdivisions; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 357.021, subdivision 2; 518.551, subdivisions 5 and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapters 16B and 518; repealing Minnesota Statutes 1990, section 609.37.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 2001: A bill for an act relating to the environment; expanding the eligibility of cities and towns for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, section 115C.09, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Price introduced—

S.F. No. 2002: A bill for an act relating to public safety; providing a procedure for determining claims under the public safety officer's death benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Governmental Operations.

Mr. Price introduced—

S.F. No. 2003: A bill for an act relating to economic development; public facility authority; authorizing the authority to charge fees for administrative costs; amending Minnesota Statutes 1990, sections 446A.04, subdivision 5; and 446A.07, subdivision 8.

Referred to the Committee on Economic Development and Housing.

Mses. Pappas, Flynn; Johnson, J.B. and Mr. Benson, D.D. introduced—

S.F. No. 2004: A bill for an act relating to social work licensure; exempting school social workers licensed by the board of teaching; amending Minnesota Statutes 1990, section 148B.28, subdivision 4.

Referred to the Committee on Health and Human Services.

Ms. Ranum, Messrs. Knaak and Cohen introduced—

S.F. No. 2005: A bill for an act relating to child custody; establishing a commission to study and make recommendations on the law regarding removal of a child from the state by the custodial parent.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Pogemiller, Knaak and Cohen introduced—

S.F. No. 2006: A bill for an act relating to criminal justice information; creating a commission on criminal and juvenile justice information; creating a partnership council on criminal and juvenile justice information to advise and assist the commission; prescribing duties; requiring the preparation of a supplementary sex offender information statement for persons sentenced as patterned sex offenders; appropriating money; amending Minnesota Statutes 1990, section 609.1352, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 13C.

Referred to the Committee on Judiciary.

Messrs. Bertram, Stumpf and McGowan introduced—

S.F. No. 2007: A bill for an act relating to crimes; establishing registration requirements for sex offenders under 18 years of age; extending the sex registration law to sex offenses involving adult victims; amending Minnesota Statutes 1991 Supplement, section 243.166.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 2008: A bill for an act relating to state government; department of public safety; capitol complex security division; requiring that the director of capitol complex security be a member of the state patrol; amending Minnesota Statutes 1990, section 299E.01, subdivision 1.

Referred to the Committee on Transportation.

Mr. Chmielewski introduced—

S.F. No. 2009: A bill for an act relating to the city of Cloquet; permitting the city to issue bonds for a water line.

Referred to the Committee on Local Government.

Messrs. Bertram and Dicklich introduced—

S.F. No. 2010: A bill for an act relating to education; requiring school boards to receive approval from the state fire marshal before making certain fire safety corrections to school facilities; increasing the complement of the fire marshal division of the department of public safety; amending Minnesota Statutes 1990, sections 121.15, by adding a subdivision; and 121.1502, by adding a subdivision; Laws 1991, chapter 265, article 11, section 23, subdivision 3.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 2011: A bill for an act relating to races and exhibitions on water or ice; eliminating the appeal to the commissioner of natural resources from a sheriff's decision; amending Minnesota Statutes 1990, section 86B.121.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 2012: A bill for an act relating to crimes; enforcing mandatory insurance requirement for vehicles; providing for penalties; providing for loss of driver's license and motor vehicle registration; amending Minnesota Statutes 1990, sections 65B.67, subdivision 4; 169.791; 169.792; 169.793; 169.794; and 171.19; Minnesota Statutes 1991 Supplement, sections 168.041, subdivision 4; 169.795; 171.29, subdivision 1; and 171.30, subdivision 1; repealing Minnesota Statutes 1990, section 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a.

Referred to the Committee on Judiciary.

Mrs. Adkins, Messrs. Chmielewski, Frank, Vickerman and Ms. Johnston introduced—

S.F. No. 2013: A bill for an act relating to state government; adopting the square dance as the American folk dance of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on Veterans and General Legislation.

Mses. Traub, Pappas, Reichgott, Flynn and Mr. Sams introduced—

S.F. No. 2014: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

Mr. Beckman, Ms. Johnson, J.B.; Mmes. Brataas, Adkins and Mr. Marty introduced—

S.F. No. 2015: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

Messrs. Hottinger, Kelly, Mrs. Benson, J.E.; Mr. Price and Ms. Ranum introduced—

S.F. No. 2016: A bill for an act relating to education; clarifying the meaning of "instruction offered on a noncredit basis" in excepting certain community education instructors from the definition of public employee; amending Minnesota Statutes 1991 Supplement, section 179A.03, subdivision 14.

Referred to the Committee on Education.

Messrs. Novak, Dicklich, Finn, Mses. Johnson, J.B. and Olson introduced—

S.F. No. 2017: A bill for an act relating to utilities; providing for protection of certain nonpublic data submitted to public utilities commission by telephone companies; clarifying authority of commission to reinstate original rate for a telephone service subject to emerging competition on finding proposed rate is below incremental cost or is not just and reasonable; requiring commission to make final decision within six months on rate increase of telephone service subject to effective competition; amending Minnesota Statutes 1990, section 237.60, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Energy and Public Utilities.

Messrs. Frederickson, D.J.; Johnson, D.J.; Chmielewski, Benson, D.D. and Mrs. Pariseau introduced—

S.F. No. 2018: A bill for an act relating to taxation; providing for payment of certain in-lieu taxes; amending Minnesota Statutes 1990, sections

97A.061; and 477A.14.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frederickson, D.J.; Johnson, D.J.; Chmielewski; Benson, D.D. and Mrs. Pariseau introduced—

S.F. No. 2019: A bill for an act relating to taxation; property; providing for distribution of penalties and interest; amending Minnesota Statutes 1990, section 276.131.

Referred to the Committee on Taxes and Tax Laws.

Mses. Berglin, Piper, Flynn, Messrs. Finn and Terwilliger introduced—

S.F. No. 2020: A bill for an act relating to health; authorizing grants for a home health visiting program designed to prevent abuse and neglect of children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145A.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 2021: A bill for an act relating to the uniform commercial code; prohibiting certain practices relating to electronic fund transfers; proposing coding for new law in Minnesota Statutes, chapter 336.

Referred to the Committee on Commerce.

Mr. Langseth introduced—

S.F. No. 2022: A bill for an act relating to retirement; requiring certain transfers of employer contributions from the teachers retirement association to the individual retirement account plan.

Referred to the Committee on Governmental Operations.

Mrs. Benson, J.E. introduced—

S.F. No. 2023: A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, section 11.

Referred to the Committee on Governmental Operations.

Mr. Lessard introduced—

S.F. No. 2024: A bill for an act relating to health; adding an exception to the nursing home moratorium; amending Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Lessard, Metzen, Belanger, Mrs. Adkins and Mr. Frederickson, D.J. introduced—

S.F. No. 2025: A bill for an act relating to taxation; providing for a refund of taxes on cigarettes and tobacco products if the tax is deemed to be a bad debt; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 297.

Referred to the Committee on Taxes and Tax Laws.

Mr. Price introduced—

S.F. No. 2026: A bill for an act relating to community corrections; making certain construction jail standards optional; making certain operating jail standards more flexible; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Health and Human Services.

Messrs. Mehrkens, Larson, Mrs. Adkins, Messrs. Metzen and Belanger introduced—

S.F. No. 2027: A bill for an act relating to occupations and professions; requiring licensure for electrical lighting fixture installers in private dwellings; amending Minnesota Statutes 1990, section 326.242, subdivision 8, and by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Morse, Ms. Johnson, J.B.; Messrs. Frederickson, D.R.; Bertram and Davis introduced—

S.F. No. 2028: A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

Mrs. Pariseau, Mr. Bertram, Ms. Johnston, Mr. Johnson, D.E. and Ms. Ranum introduced—

S.F. No. 2029: A bill for an act relating to veterans; clarifying procedures for searches of veterans' home residents' rooms or property; amending Minnesota Statutes 1990, section 198.33, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Messrs. Novak; Johnson, D.J.; Marty; Ms. Piper and Mr. Terwilliger introduced—

S.F. No. 2030: A bill for an act relating to energy; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired heating plants in low-income households.

Referred to the Committee on Energy and Public Utilities.

Ms. Reichgott introduced—

S.F. No. 2031: A bill for an act relating to retirement; public employees defined contribution retirement plan; authorizing an election of plan coverage and purchase of prior service coverage for certain local elected officials.

Referred to the Committee on Governmental Operations.

Mr. Riveness introduced—

S.F. No. 2032: A bill for an act relating to the metropolitan airports commission; prohibiting the commission from constructing or extending certain facilities; amending Minnesota Statutes 1991 Supplement, section 473.616, subdivision 1.

Referred to the Committee on Metropolitan Affairs.

Messrs. Belanger, Metzen, Solon, Mrs. Adkins and Mr. Mehrkens introduced—

S.F. No. 2033: A bill for an act relating to alcoholic beverages; authorizing purchase from a retailer and resale by a person holding a permit from the commissioner of public safety as a resale exporter; amending Minnesota Statutes 1990, section 340A.505.

Referred to the Committee on Commerce.

Ms. Olson, Messrs. Dicklich, Knaak, Mehrkens and Ms. Johnston introduced—

S.F. No. 2034: A bill for an act relating to education; providing for parental notice and students and parental rights in certain cases; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

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

S.F. No. 2035: A bill for an act relating to education; increasing the appropriation for way to grow programs to maintain ongoing programs; appropriating money.

Referred to the Committee on Education.

Messrs. Samuelson, Sams, Vickerman and Stumpf introduced—

S.F. No. 2036: A bill for an act relating to game and fish; seasons for taking deer by muzzle-loading firearms; amending Minnesota Statutes 1990, section 97B.311.

Referred to the Committee on Environment and Natural Resources.

Messrs. Price and Merriam introduced—

S.F. No. 2037: A bill for an act relating to public employment; requiring the commissioner of the bureau of mediation services to adopt a uniform baseline determination document and a uniform collective bargaining agreement settlement document and rules relating to the use of these documents; amending Minnesota Statutes 1990, section 179A.04, subdivision 3.

Referred to the Committee on Governmental Operations.

Ms. Olson, Messrs. Mehrkens, Knaak and Belanger introduced—

S.F. No. 2038: A bill for an act relating to education; removing technical colleges from the authority of the higher education board; removing the technical college system from the merger of post-secondary education systems; amending Minnesota Statutes 1991 Supplement, sections 136E.03; 136E.04, subdivision 1; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, sections 8, subdivisions 1 and 4; 9; and 14; repealing Minnesota Statutes 1991 Supplement, section 136E.04, subdivision 4; Laws 1991, chapter 356, article 9, sections 8, subdivision 6; and 11.

Referred to the Committee on Education.

Mr. Sams, Ms. Piper and Mr. Vickerman introduced—

S.F. No. 2039: A bill for an act relating to human services; increasing maximum medical assistance rates to cover the cost of one-to-one staffing for persons with severe behavioral needs; appropriating money; amending Minnesota Statutes 1991 Supplement, section 252.46, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Vickerman, Hottinger, Sams and Ms. Piper introduced—

S.F. No. 2040: A bill for an act relating to health; requiring initiatives and program changes related to rural health; modifying rural hospital grant programs; establishing a rural health advisory committee; assigning duties to the office of rural health; modifying distribution of money in the emergency medical services system fund; creating an account for pediatric access and training; increasing medical assistance reimbursement to small hospitals and ambulance services; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 144.147, subdivisions 1, 3, and 4; 144.581, subdivision 1, and by adding a subdivision; 144.8093; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Dahl; Dicklich; Moe, R.D.; Ms. Reichgott and Mr. Benson, D.D. introduced—

S.F. No. 2041: A bill for an act relating to education; establishing a state program to improve and expand advanced placement programs in school districts; providing for summer institutes and support programs for teachers of advanced placement courses; providing for subsidies for examination fees for certain pupils; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Dahl, Merriam, Stumpf, Ms. Johnson, J.B. and Mr. Morse introduced—

S.F. No. 2042: A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; amending Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Finn, Frank, Spear, Kelly and Pogemiller introduced—

S.F. No. 2043: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

Messrs. Stumpf, Metzen, Chmielewski, Mondale and Kroening introduced—

S.F. No. 2044: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

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

S.F. No. 2045: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

Referred to the Committee on Judiciary.

Messrs. Day; Larson; Benson, D.D. and Sams introduced—

S.F. No. 2046: A bill for an act relating to transportation; exempting all farm trailers from motor vehicle registration and taxation requirements; temporarily exempting certain vehicles drawing implements of husbandry from size and weight restrictions; establishing a task force; amending Minnesota Statutes 1990, sections 168.012, subdivision 2a; 168.013, subdivision 1d; and 169.80, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Luther, Ms. Flynn, Messrs. Laidig, Mondale and Kroening introduced—

S.F. No. 2047: A bill for an act relating to metropolitan government; providing for the acquisition and betterment of regional recreational open space lands and related costs; authorizing the issuance of state bonds; appropriating money.

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

Messrs. Stumpf, Morse, Pogemiller and Renneke introduced—

S.F. No. 2048: A bill for an act relating to retirement; the Minnesota state retirement system and the public employees retirement association; making various changes to administration, benefits, and investment practices; amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivisions 12 and 28; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision; 356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; and Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; and 353.656, subdivision 7.

Referred to the Committee on Governmental Operations.

Messrs. Vickerman, Solon, Ms. Traub and Mr. Day introduced—

S.F. No. 2049: A bill for an act relating to occupations and professions; clarifying membership requirements for the board of pharmacy; amending Minnesota Statutes 1991 Supplement, section 151.03.

Referred to the Committee on Health and Human Services.

Mr. Beckman, Mrs. Adkins, Messrs. Halberg, Dicklich and Davis introduced—

S.F. No. 2050: A bill for an act relating to occupations and professions; modifying residential builder licensing requirements; amending Minnesota Statutes 1991 Supplement, sections 326.84, subdivision 3; 326.85, subdivision 1; 326.86, subdivision 1, and by adding a subdivision; and 326.89, subdivision 5; repealing Minnesota Statutes 1991 Supplement, sections 326.87; 326.94; and 326.95.

Referred to the Committee on Commerce.

Messrs. Beckman; Stumpf; Sams; Frederickson, D.J. and Vickerman introduced—

S.F. No. 2051: A bill for an act relating to children; requiring prompt decisions in juvenile court proceedings involving children who are physically

or sexually abused; amending Minnesota Statutes 1990, sections 260.155, subdivision 1; and 546.27, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 2052: A bill for an act relating to taxation; property; reducing the penalties for taxes paid within three days of the due date; abating penalties for certain unforeseen circumstances; amending Minnesota Statutes 1990, section 279.01, subdivision 3; Minnesota Statutes 1991 Supplement, section 279.01, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Samuelson introduced—

S.F. No. 2053: A bill for an act relating to snowmobiles; reducing registration fee for snowmobiles not operated on public trails; amending Minnesota Statutes 1991 Supplement, section 84.82, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Ms. Ranum, Messrs. Luther, Spear, Neuville and McGowan introduced—

S.F. No. 2054: A bill for an act relating to crimes; establishing a criminal justice system task force to review the Minnesota criminal code and penalties, review bias crime penalties, and review sentencing under the sentencing guidelines.

Referred to the Committee on Judiciary.

Mr. Marty and Ms. Ranum introduced—

S.F. No. 2055: A bill for an act relating to crimes; requiring law enforcement training courses concerning crimes of violence against women and children; amending Minnesota Statutes 1990, section 626.8451.

Referred to the Committee on Judiciary.

Messrs. Marty and Neuville introduced—

S.F. No. 2056: A bill for an act relating to crimes; expanding juvenile court jurisdiction from 19 years to 23 years; amending Minnesota Statutes 1990, section 260.181, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Chmielewski; DeCramer; Frederickson, D.J. and Johnson, D.E. introduced—

S.F. No. 2057: A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

Referred to the Committee on Transportation.

Ms. Johnston, Mr. Johnson, D.J.; Ms. Johnson, J.B. and Mr. Johnson, D.E. introduced—

S.F. No. 2058: A bill for an act relating to education; defining resident district for certain pupils; amending Minnesota Statutes 1990, section 124.17, by adding a subdivision.

Referred to the Committee on Education.

Mr. Kelly introduced—

S.F. No. 2059: A bill for an act relating to appropriations; appropriating money to the housing development as state match for the federal HOME program; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

Ms. Reichgott, Messrs. Hottinger, Bernhagen, Vickerman and Bertram introduced—

S.F. No. 2060: A bill for an act relating to taxation; property; extending the special levy for abatements to counties; amending Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Luther and Cohen introduced—

S.F. No. 2061: A bill for an act relating to marriage; providing for post-nuptial contracts; amending Minnesota Statutes 1990, sections 518.54, subdivision 5; and 519.11.

Referred to the Committee on Judiciary.

Messrs. Vickerman and DeCramer introduced—

S.F. No. 2062: A bill for an act relating to railroads; providing for reimbursement of expenses for maintaining signals and other safety devices at crossings; requiring commissioner of transportation to identify areas where insufficient rail service is detrimental to efficient transportation; removing restrictions on grants for rail rehabilitation projects; appropriating money; amending Minnesota Statutes 1990, section 222.50, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation.

Ms. Johnson, J.B; Messrs. Metzen, Hottinger and Solon introduced—

S.F. No. 2063: A bill for an act relating to occupations and professions; defining asbestos-related work for residential property; authorizing rule-making; amending Minnesota Statutes 1990, sections 326.71, subdivision 4; 326.72, subdivision 1; and 326.78, subdivision 1.

Referred to the Committee on Commerce.

Mr. Pogemiller, Ms. Ranum, Messrs. Belanger, Neuville and Stumpf introduced—

S.F. No. 2064: A bill for an act relating to juveniles; providing for the retention of certain juvenile court records beyond the age of 23; establishing a centralized system for the identification of adjudicated juveniles; appropriating money; amending Minnesota Statutes 1990, section 260.161, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2065: A bill for an act relating to workers' compensation; modifying insurance regulations; permitting adoption of administrative rules; providing hearing procedures; appropriating money; amending Minnesota Statutes 1990, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.252, by adding a subdivision; 79.50; 79.59; 176.185, subdivision 1; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79.

Referred to the Committee on Employment.

Messrs. Beckman; Moe, R.D.; Morse; Metzen and Frederickson, D.J. introduced—

S.F. No. 2066: A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated cities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; requiring regional development commissions to establish permit information centers; amending Minnesota Statutes 1990, section 116C.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; proposing coding for new law as Minnesota Statutes, chapter 116S.

Referred to the Committee on Economic Development and Housing.

Mr. Mehrkens introduced—

S.F. No. 2067: A bill for an act relating to waters; allowing exchange of certain state-owned lands for privately owned lands; amending Minnesota Statutes 1991 supplement, section 282.018, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 2068: A bill for an act relating to appropriations; appropriating money for the purchase of certain land of historical value in Goodhue county.

Referred to the Committee on Veterans and General Legislation.

Mr. Stumpf introduced—

S.F. No. 2069: A bill for an act relating to agriculture; adding Roseau and Koochiching counties to the restricted seed potato growing area; amending Minnesota Statutes 1990, section 21.1196, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Mr. Stumpf introduced—

S.F. No. 2070: A bill for an act relating to lawful gambling; expanding the definition of lawful purpose to include certain senior citizen activities sponsored by an organization; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mr. Stumpf introduced—

S.F. No. 2071: A bill for an act relating to gambling; permitting organizations to conduct contests involving certain card games for senior citizens; amending Minnesota Statutes 1990, section 609.761, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Mr. Stumpf introduced—

S.F. No. 2072: A bill for an act relating to transportation; requiring study of certain rail-highway grade crossing accidents.

Referred to the Committee on Transportation.

Messrs. Stumpf, Pogemiller and Metzen introduced—

S.F. No. 2073: A bill for an act relating to economic development; providing for the allocation of bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 2a; and 474A.091, subdivision 3.

Referred to the Committee on Economic Development and Housing.

Mr. Stumpf introduced—

S.F. No. 2074: A bill for an act relating to taxation; providing for elimination of tax-forfeited property from assessment rolls; amending Minnesota Statutes 1991 Supplement, section 272.02, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Mr. Stumpf introduced—

S.F. No. 2075: A bill for an act relating to taxation; adjusting the in-lieu payments for inflation; appropriating money; amending Minnesota Statutes 1990, section 477A.12.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Larson, Vickerman, Bertram, Renneke and Day introduced—

S.F. No. 2076: A bill for an act relating to occupations and professions; board of electricity; adding a member with military experience to the board; requiring that equivalent credit be given for electrical experience in the military; requiring the board to amend its rules; amending Minnesota Statutes 1990, sections 326.241, subdivision 1; and 326.242, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Messrs. Berg, McGowan and Merriam introduced—

S.F. No. 2077: A bill for an act relating to elections; campaign finance; prohibiting the transfer of funds from one candidate's principal campaign committee to another candidate's principal campaign committee; prohibiting the formation of more than one campaign committee by a candidate; amending Minnesota Statutes 1990, sections 10A.14, subdivision 2; 10A.19, subdivision 1; and 10A.27, subdivision 9.

Referred to the Committee on Elections and Ethics.

Ms. Piper, Messrs. Stumpf, Dicklich, Hottinger and Johnson, D.E. introduced—

S.F. No. 2078: A bill for an act relating to education; expanding the physician loan forgiveness program; establishing other health professional education programs; establishing a physician assistant training program; requiring studies; providing health education grants; appropriating money; amending Minnesota Statutes 1990, section 136A.1355, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 136A, 137, and 144A.

Referred to the Committee on Education.

Messrs. Sams, Beckman, Davis, Day and Frederickson, D.J. introduced—

S.F. No. 2079: A bill for an act relating to agriculture; appropriating money for the agricultural mediator program.

Referred to the Committee on Agriculture and Rural Development.

Mr. Bertram introduced—

S.F. No. 2080: A bill for an act relating to education; providing for Minnesota extension service fringe benefits and salary increases; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Kelly introduced—

S.F. No. 2081: A bill for an act relating to the environment; prohibiting dissemination of false or inaccurate information about the release of radiation; imposing a duty to report the release of radiation; providing a civil cause of action; providing penalties; amending Minnesota Statutes 1990, sections 116B.02, by adding a subdivision; and 116B.03, subdivision 1; Minnesota Statutes 1991 Supplement, section 609.671, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Kelly introduced—

S.F. No. 2082: A bill for an act relating to the state lottery; requiring the director to conduct lottery games with tickets sold only at locations in St. Paul; providing that net proceeds from such games be used only for youth

programs in St. Paul; amending Minnesota Statutes 1991 Supplement, section 349A.10, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 349A.

Referred to the Committee on Gaming Regulation.

Messrs. Solon; Johnson, D.J.; Chmielewski; Luther and Gustafson introduced—

S.F. No. 2083: A bill for an act relating to the Lake Superior Center Authority; authorizing the issuance of state bonds for design, engineering, and construction of facilities for the authority; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson, Vickerman, Sams, Ms. Piper and Mr. Terwilliger introduced—

S.F. No. 2084: A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; amending Minnesota Statutes 1991 Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2085: A bill for an act relating to lawful gambling; establishing a lawful gambling advisory council; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on Gaming Regulation.

Messrs. Cohen and Kelly introduced—

S.F. No. 2086: A bill for an act relating to courts; providing for the distribution of certain court revenue in Ramsey county; amending Minnesota Statutes 1990, section 488A.20, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Dicklich introduced—

S.F. No. 2087: A bill for an act relating to transportation; authorizing permits for wide agricultural loads regardless of shape; amending Minnesota Statutes 1990, section 169.862.

Referred to the Committee on Transportation.

Ms. Reichgott introduced—

S.F. No. 2088: A bill for an act relating to corporations; making miscellaneous changes in provisions dealing with the organization and operation of nonprofit corporations; amending Minnesota Statutes 1990, sections 317A.011, subdivisions 7 and 14; 317A.111, subdivision 3; 317A.201; 317A.213; 317A.227; 317A.251, subdivision 3; 317A.255, subdivisions 1, 2, and by adding a subdivision; 317A.341, subdivision 2; 317A.431, subdivision 2; 317A.447; 317A.461; 317A.751, subdivision 3; and 317A.827, by adding a subdivision; Minnesota Statutes 1991 Supplement,

sections 317A.821, subdivision 2; 317A.823; and 317A.827, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 2089: A bill for an act relating to lawful gambling; contraband; requiring ten percent of the proceeds of seized property to be forwarded to the Minnesota Council on Compulsive Gambling; amending Minnesota Statutes 1990, section 349.2125, subdivision 4.

Referred to the Committee on Gaming Regulation.

Mr. Dicklich introduced—

S.F. No. 2090: A bill for an act relating to school boards; providing for appointment of runner-up candidate to fill vacancy on school board; amending Minnesota Statutes 1990, section 123.33, subdivision 4.

Referred to the Committee on Elections and Ethics.

Mr. Dicklich introduced—

S.F. No. 2091: A bill for an act relating to landlord and tenants; prohibiting owners from charging for tenant reports; requiring that copies of tenant reports be furnished to prospective tenants in certain circumstances; amending Minnesota Statutes 1990, section 504.30, subdivision 5.

Referred to the Committee on Economic Development and Housing.

Mr. Dicklich introduced—

S.F. No. 2092: A bill for an act relating to utilities; clarifying the authority of the public utility commission in establishing extended area telephone service; amending Minnesota Statutes 1990, section 237.161, subdivision 3; Minnesota Statutes 1991 Supplement, section 237.161, subdivision 1.

Referred to the Committee on Energy and Public Utilities.

Mrs. Pariseau, Mr. Terwilliger and Mrs. Adkins introduced—

S.F. No. 2093: A bill for an act relating to human services; requiring child care centers to offer a choice of cloth or disposable diapers; amending Minnesota Statutes 1990, section 245A.14, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.R.; Bertram and Mrs. Pariseau introduced—

S.F. No. 2094: A bill for an act relating to the one call excavation notice system; authorizing land surveyors to receive location information related to underground facilities; amending Minnesota Statutes 1990, section 216D.01, subdivision 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216D.

Referred to the Committee on Energy and Public Utilities.

Messrs. Morse, Stumpf, Lessard, Riveness and Laidig introduced—

S.F. No. 2095: A bill for an act relating to the environment; pollution control; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; amending Minnesota Statutes 1990, section 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 2096: A bill for an act relating to the environment; imposing a moratorium on the adoption of rules regulating aboveground storage tanks; requiring a report; providing for legislative review of proposed rules.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 2097: A bill for an act relating to retirement; Minnesota state retirement system; authorizing a purchase of service credit by a former grain inspector.

Referred to the Committee on Governmental Operations.

Messrs. Bertram and Mondale introduced—

S.F. No. 2098: A bill for an act relating to liquor; requiring the sale of Minnesota-produced beer only, under a license issued by the metropolitan airports commission; amending Minnesota Statutes 1990, section 340A.909, subdivision 1.

Referred to the Committee on Commerce.

Mr. Bertram introduced—

S.F. No. 2099: A bill for an act relating to health care; preventing discrimination between qualified professionals; enhancing the availability and affordability of certain health care services by making hospitals more accessible to allied health care professionals; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Health and Human Services.

Messrs. Bertram and Mondale introduced—

S.F. No. 2100: A bill for an act relating to agriculture; requiring certain events to sell Minnesota-grown or produced food and beverages; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Merriam, Lessard and Morse introduced—

S.F. No. 2101: A bill for an act relating to state parks; authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse, Neuville, Davis and Price introduced—

S.F. No. 2102: A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; establishing a nitrate data advisory task force; modifying requirements relating to sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; appropriating money; amending Minnesota Statutes 1990, sections 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; and 103I.301, subdivisions 1 and 6; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

Referred to the Committee on Environment and Natural Resources.

Mr. Merriam introduced—

S.F. No. 2103: A bill for an act relating to drivers' licenses; increasing fees; appropriating money; amending Minnesota Statutes 1990, section 171.06, subdivision 2.

Referred to the Committee on Transportation.

Mr. Pogemiller introduced—

S.F. No. 2104: A bill for an act relating to elections; campaign finance; prohibiting the transfer of funds from one candidate's principal campaign committee to another candidate's principal campaign committee; prohibiting the formation of more than one campaign committee by a candidate; providing that a candidate receive the opponent's public subsidy if the opponent does not agree to spending limits; requiring that recipients of public subsidies agree not to raise campaign funds from political associations that exceed one-half of total contributions to the candidate; requiring that a candidate raise within the candidate's district 50 percent of the matching amount necessary to receive a public subsidy; increasing late filing fees; clarifying certain reporting requirements; requiring the retention of records by lobbyists and principals; amending Minnesota Statutes 1990, sections 6.76; 10A.01, subdivisions 25 and 26; 10A.03, subdivision 2; 10A.04, subdivisions 5 and 7; 10A.065, subdivision 3; 10A.09, subdivisions 2 and 7; 10A.14, subdivision 2; 10A.19, subdivision 1; 10A.20, subdivision 12; 10A.23; 10A.27, subdivision 9; 10A.322, by adding a subdivision; 10A.323; 10A.324, by adding a subdivision; and 383B.053, subdivision 1; Minnesota Statutes 1991 Supplement, section 10A.25, subdivision 10; repealing Minnesota Statutes 1990, section 10A.25, subdivision 2a.

Referred to the Committee on Elections and Ethics.

Ms. Pappas and Mr. Hottinger introduced—

S.F. No. 2105: A bill for an act relating to occupations and professions; cosmetologists; prohibiting salons from subleasing space; amending Minnesota Statutes 1990, section 155A.08, subdivision 1.

Referred to the Committee on Commerce.

Mr. Frederickson, D.J. introduced—

S.F. No. 2106: A bill for an act relating to occupations and professions; board of accountancy; regulating registered public accountants; changing educational requirements for accountants; making various technical changes; appropriating money; amending Minnesota Statutes 1990, sections 326.17; 326.18; 326.19; 326.20, subdivisions 1 and 2; 326.211; 326.212; and 326.224; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Commerce.

Mr. Chmielewski introduced—

S.F. No. 2107: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; creating a health and safety fund; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 4, 7, and 9; 79A.04, subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 9, and 11; 176.103, subdivision 3; 176.106, subdivision 6, and by adding a subdivision; 176.111, subdivision 18; 176.129, subdivision 10; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1, and by adding a subdivision; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivisions 1 and 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivision 4; 176.221, subdivisions 3, 3a, and 7; 176.231, subdivision 10; 176.261; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79A; 175; and 176; repealing Minnesota Statutes 1990, sections 175.007; 176.136, subdivision 5; and 176.191, subdivisions 5, 6, 7, and 8, and Minnesota Statutes, chapters 79, 175A, and 176.

Referred to the Committee on Employment.

Mr. Samuelson introduced—

S.F. No. 2108: A bill for an act relating to state contracts; requiring bidders on state construction contracts to submit lists of subcontractors and prohibiting subcontracts with persons not listed; providing penalties; amending Minnesota Statutes 1990, section 16B.07, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Ms. Johnston, Mmes. Benson, J.E.; Pariseau; Messrs. Terwilliger and Bertram introduced—

S.F. No. 2109: A bill for an act relating to public safety; expanding the sex offender registration law to include certain adult victims and to require registration by certain out-of-state offenders who reside in Minnesota; amending Minnesota Statutes 1991 Supplement, section 243.166, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 2110: A bill for an act relating to economic development; providing that Ramsey county has the powers and duties of a city for the purpose of economic development authorities; amending Minnesota Statutes 1990, section 469.091, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Mr. Solon introduced—

S.F. No. 2111: A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 2112: A bill for an act relating to retirement; authorizing purchase of service credit for previously exempt service by certain members of the teachers retirement association.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 2113: A bill for an act relating to health care; allowing all providers to participate in health policies, plans, and contracts under certain conditions; requiring the commissioner of health to establish uniform claims forms and uniform billing and record keeping practices; amending Minnesota Statutes 1990, sections 43A.23, subdivision 1; 62C.02, subdivision 10; 62D.02, subdivision 12; and 72A.20, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Sams, Morse, Renneke and Davis introduced—

S.F. No. 2114: A bill for an act relating to appropriations; specifying allocation of funds appropriated for wetlands preservation; amending Laws 1991, chapter 354, article 11, section 1, subdivision 2.

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

Mr. Solon introduced—

S.F. No. 2115: A bill for an act relating to state government; purchases; amending the definition of “manufactured in the United States”; amending Minnesota Statutes 1991 Supplement, section 16B.101, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 2116: A bill for an act relating to lotteries; regulating lottery retailers; modifying the qualifications for contracts; amending Minnesota Statutes 1990, section 349A.06, subdivision 2.

Referred to the Committee on Gaming Regulation.

Ms. Berglin introduced—

S.F. No. 2117: A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

Referred to the Committee on Health and Human Services.

Mses. Pappas, Reichgott, Messrs. Stumpf, DeCramer and Mehrkens introduced—

S.F. No. 2118: A bill for an act relating to libraries; modifying the local support level required for regional library basic system support grants; amending Minnesota Statutes 1990, section 134.34, subdivision 1; and repealing Minnesota Statutes 1990, section 134.34, subdivision 2.

Referred to the Committee on Education.

Mr. Price introduced—

S.F. No. 2119: A bill for an act relating to the environment; authorizing the awarding of reasonable attorney fees and costs to prevailing parties in actions under the Minnesota environmental rights act; proposing coding for new law in Minnesota Statutes, chapter 116B.

Referred to the Committee on Environment and Natural Resources.

Mr. Bertram introduced—

S.F. No. 2120: A bill for an act relating to public safety officer's survivor benefits; altering a definition; amending Minnesota Statutes 1990, section 299A.41, subdivision 3.

Referred to the Committee on Governmental Operations.

Mrs. Pariseau, Messrs. Terwilliger, Larson, Mehrkens and Mrs. Benson, J.E. introduced—

S.F. No. 2121: A bill for an act relating to crime; proposing the safe communities act of 1992; increasing penalties for violent crimes; enhancing protections for crime victims; providing measures to assist in the enforcement of criminal laws and the supervision of offenders; authorizing the

commissioner of public safety to award emergency anti-crime initiatives grants; providing for anti-violence education and prevention programs; proposing a variety of changes to the felony sentencing system; eliminating "good time" reductions in prison sentences; increasing and imposing new penalties on DWI offenders; increasing treatment and correctional resources for juvenile offenders; improving the operation of the psychopathic personality commitment law; establishing task forces to study ways of improving the criminal records system, the juvenile justice system, and the data practices laws; authorizing state bonds to expand the Minnesota security hospital for psychopathic personality commitments and to permit secure confinement of juveniles at the Minnesota correctional facility-Red Wing; appropriating money and raising fees to fund anti-crime initiatives and other criminal justice system needs; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 8.15; 16A.531, by adding a subdivision; 125.05, subdivision 2; 135A.15; 168.042, subdivisions 2 and 4; 169.121, subdivisions 3, 3a, 3c, 4, and 5; 169.123, subdivision 4; 204B.36, subdivision 4; 241.67, subdivisions 3, and by adding a subdivision; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 4, 5, and by adding subdivisions; 244.09, by adding a subdivision; 259.11; 270A.03, subdivision 5; 488A.021, subdivision 3; 488A.19, subdivision 3; 595.02, subdivision 4; 609.033; 609.0341; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5; 609.152, subdivision 3; 609.19; 609.224, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.531, subdivision 6a; 609.5312, subdivision 1; 611A.52, subdivision 6; 624.714, subdivisions 1, 7 and by adding subdivision; 630.36, subdivision 1, and by adding a subdivision; 631.035; 631.07; Minnesota Statutes 1991 Supplement, sections 121.88, subdivision 10; 125.185, subdivision 4a; 169.123, subdivision 2; 171.29, subdivision 2; 171.30, subdivision 2a; 243.166, subdivision 1; 259.10; 260.125, subdivision 3; 260.161, subdivision 3; 518B.01, subdivision 14; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 126; 169; 244; 256F; 290; 299A; 526; 609; 611A; 617; and 626; repealing Minnesota Statutes 1990, section 204B.36, subdivision 5.

Referred to the Committee on Judiciary.

Mr. Frederickson, D.R.; Ms. Johnston, Messrs. Bernhagen; Johnson, D.E. and Day introduced—

S.F. No. 2122: A bill for an act relating to crime; proposing the safe communities act of 1992; increasing penalties for violent crimes; enhancing protections for crime victims; providing measures to assist in the enforcement of criminal laws and the supervision of offenders; authorizing the commissioner of public safety to award emergency anti-crime initiatives grants; providing for anti-violence education and prevention programs; proposing a variety of changes to the felony sentencing system; eliminating "good time" reductions in prison sentences; increasing and imposing new penalties on DWI offenders; increasing treatment and correctional resources for juvenile offenders; improving the operation of the psychopathic personality commitment law; establishing task forces to study ways of improving the criminal records system, the juvenile justice system, and the data practices laws; authorizing state bonds to expand the Minnesota security hospital for psychopathic personality commitments and to permit secure confinement of juveniles at the Minnesota correctional facility-Red Wing;

appropriating money; amending Minnesota Statutes 1990, sections 8.01; 8.15; 16A.531, by adding a subdivision; 125.05, subdivision 2; 135A.15; 168.042, subdivisions 2 and 4; 169.121, subdivisions 3, 3a, 3c, 4, and 5; 169.123, subdivision 4; 204B.36, subdivision 4; 241.67, subdivisions 3, and by adding a subdivision; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 4, 5, and by adding subdivisions; 244.09, by adding a subdivision; 259.11; 270A.03, subdivision 5; 488A.021, subdivision 3; 488A.19, subdivision 3; 595.02, subdivision 4; 609.033; 609.0341; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5; 609.152, subdivision 3; 609.19; 609.224, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.531, subdivision 6a; 609.5312, subdivision 1; 611A.52, subdivision 6; 624.714, subdivisions 1, 7 and by adding subdivision; 630.36, subdivision 1, and by adding a subdivision; 631.035; 631.07; Minnesota Statutes 1991 Supplement, sections 121.88, subdivision 10; 125.185, subdivision 4a; 169.123, subdivision 2; 171.29, subdivision 2; 171.30, subdivision 2a; 243.166, subdivision 1; 259.10; 260.125, subdivision 3; 260.161, subdivision 3; 518B.01, subdivision 14; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 126; 169; 244; 256F; 290; 299A; 526; 609; 611A; 617; and 626; repealing Minnesota Statutes 1990, section 204B.36, subdivision 5.

Referred to the Committee on Judiciary.

Messrs. Kelly, Spear, Stumpf and Finn introduced—

S.F. No. 2123: A bill for an act relating to crimes; probation officers; requiring standards for supervision of sex offenders and violent offenders; requiring probation offices to maintain 24-hour availability; requiring reports of persons absconding from supervised release programs; establishing an absconders fund to reimburse local officials for the cost of hiring investigators to locate absconders; appropriating money; amending Minnesota Statutes 1990, section 241.67, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 2124: A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

Referred to the Committee on Judiciary.

Mr. Mondale, Mses. Ranum, Pappas and Mr. Price introduced—

S.F. No. 2125: A bill for an act relating to assaults; providing for the establishment of a homicide investigation and tracking system within the bureau of criminal apprehension; creating a domestic abuse data system; providing for statewide enforcement and verification of orders for protection; appropriating money; amending Minnesota Statutes 1990, sections 299C.09; 299C.10; 299C.11; and 299C.12; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Messrs. Mondale, Price and Ms. Pappas introduced—

S.F. No. 2126: A bill for an act relating to domestic abuse; providing for restitution under orders for protection; amending Minnesota Statutes 1990, section 518B.01, subdivision 13, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 518B.01, subdivisions 4 and 6.

Referred to the Committee on Judiciary.

Mr. Mondale, Ms. Pappas and Mr. Price introduced—

S.F. No. 2127: A bill for an act relating to motor vehicle registration; classifying the residence address and telephone number in driver's license and motor vehicle registration records as private data; amending Minnesota Statutes 1990, section 13.69, subdivision 1; repealing Minnesota Statutes 1990, sections 168.346; and 171.12, subdivision 7.

Referred to the Committee on Judiciary.

Mr. Mondale, Ms. Pappas and Mr. Price introduced—

S.F. No. 2128: A bill for an act relating to crimes; enhancing penalties for certain repeat harassment offenses; requiring consideration of fact that victim is a stranger as aggravating factor under the sentencing guidelines; amending Minnesota Statutes 1990, section 609.746, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Mondale, Price and Ms. Pappas introduced—

S.F. No. 2129: A bill for an act relating to crime victims; clarifying law requiring separate waiting rooms for victims and defendants; increasing role of prosecutor in seeking restitution; amending Minnesota Statutes 1990, sections 611A.034; and 611A.04, subdivisions 1 and 1a.

Referred to the Committee on Judiciary.

Messrs. Mondale, Riveness, Ms. Pappas and Mr. Kelly introduced—

S.F. No. 2130: A bill for an act relating to education; reducing the pupil-teacher ratio for LEP students; increasing the state's proportionate share of an LEP teacher's salary; establishing eligibility criteria for LEP courses and programs; providing a levy for LEP costs; amending Minnesota Statutes 1990, section 124.273, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 124.273, subdivision 1b.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 2131: A bill for an act relating to crimes; providing that five percent of the money or proceeds from the sale of property forfeited for being associated with crime be forwarded to Crime Stoppers, Inc.; amending Minnesota Statutes 1990, section 609.5315, subdivision 5.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Kelly, Spear and Pogemiller introduced—

S.F. No. 2132: A bill for an act relating to juveniles; requiring the retention of certain juvenile court records beyond the age of 23; providing for the establishment of a system for the identification of adjudicated juveniles; appropriating money; amending Minnesota Statutes 1990, sections 260.161, subdivision 1, and by adding a subdivision; and 299C.10; Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Mses. Reichgott, Ranum, Mr. Hottinger, Ms. Pappas and Mr. Belanger introduced—

S.F. No. 2133: A bill for an act relating to crimes; requiring that a model plan for the prosecution of domestic abuse cases be made available to city and county attorneys; requiring the adoption of prosecutorial plans by city and county attorneys; appropriating money for crime victim programs; amending Minnesota Statutes 1990, section 611A.0311, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

Mr. Dahl introduced—

S.F. No. 2134: A bill for an act relating to employment; requiring employers to indemnify employees for liability arising out of the scope of employment; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Mr. Dahl introduced—

S.F. No. 2135: A bill for an act relating to the environment; amending the planning, siting, and expansion process for mixed municipal solid waste and incinerator ash disposal facilities serving the metropolitan area; creating a board to determine need for additional disposal capacity to serve the metropolitan area; amending Minnesota Statutes 1990, sections 473.149, by adding a subdivision; 473.831; Minnesota Statutes 1991 Supplement, section 115A.882, subdivision 2; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1991 Supplement, section 473.823, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Messrs. Mondale, Solon, Ms. Piper and Mr. Frank introduced—

S.F. No. 2136: A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, subdivision 3, and by adding subdivisions; and 222.88.

Referred to the Committee on Employment.

Mr. Hottinger introduced—

S.F. No. 2137: A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Ms. Johnston, Mrs. Pariseau and Mr. Kelly introduced—

S.F. No. 2138: A bill for an act relating to health; suspending the eligibility of legislators and the governor to participate in state financed health insurance plans until the enactment of a health insurance reform bill.

Referred to the Committee on Governmental Operations.

Messrs. Larson, Sams and Langseth introduced—

S.F. No. 2139: A bill for an act relating to counties; changing certain requirements for issuance of tax anticipation certificates; amending Minnesota Statutes 1990, section 383.06.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B.; Messrs. Dahl, Morse, Dicklich and Langseth introduced—

S.F. No. 2140: A bill for an act relating to education; eliminating deficiencies for education aids and grants by an open and standing appropriation for insufficient appropriations after excess amounts are transferred; equalizing levies for special education and health and safety revenue; appropriating money; amending Minnesota Statutes 1990, section 124.14, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 124.14, subdivision 7; 124.321, subdivision 3; and 124.83, subdivision 4.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Metzen, Pogemiller and Johnson, D.J. introduced—

S.F. No. 2141: A bill for an act relating to taxation; providing a sales tax exemption for materials purchased by government agencies for use in construction of housing for persons and families of low and moderate income; amending Minnesota Statutes 1990, section 297A.25, subdivision 11.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Morse, Price and Neuville introduced—

S.F. No. 2142: A bill for an act relating to taxation; exempting certain sales of air cooling equipment from the sales and use tax; clarifying that certain air cooling equipment will not increase the property's market value for purposes of property taxation; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

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

S.F. No. 2143: A bill for an act relating to game and fish; providing for agricultural crop protection assistance; providing for issuance of deer licenses to certain owners of agricultural land in consideration for allowing access for hunting; appropriating money; amending Minnesota Statutes 1990, sections 97A.441, by adding a subdivision; and 97B.301, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Mr. Merriam, Ms. Pappas and Mr. Langseth introduced—

S.F. No. 2144: A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

Referred to the Committee on Transportation.

Mr. Kroening and Ms. Pappas introduced—

S.F. No. 2145: A bill for an act relating to metropolitan government; permitting the metropolitan council to issue bonds for development of light rail transit; amending Minnesota Statutes 1990, section 473.39.

Referred to the Committee on Transportation.

Messrs. Morse and Price introduced—

S.F. No. 2146: A bill for an act relating to once-through cooling systems; providing grants for retrofitting and conversion; amending Minnesota Statutes 1990, section 103G.271, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 2147: A bill for an act relating to juveniles; authorizing the issuance of state bonds to construct and remodel space at state juvenile correctional facilities for the secure confinement of dangerous juvenile offenders; authorizing victims of crimes committed by juveniles to have a supportive person present in the courtroom during the victim's testimony; appropriating money; amending Minnesota Statutes 1990, sections 242.19, subdivision 2; and 260.155, by adding a subdivision.

Referred to the Committee on Judiciary.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 2, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-FIRST DAY

St. Paul, Minnesota, Monday, March 2, 1992

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

CALL OF THE SENATE

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

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

Adkins	Davis	Johnson, J.B.	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	Novak	Solon
Berglin	Frank	Langseth	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Halberg	Lessard	Pariseau	Terwilliger
Brataas	Hottinger	Luther	Piper	Traub
Chmielewski	Hughes	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Frederickson, D.J.; Gustafson and Neuville were excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has appointed a committee of five members of the House to act with a similar committee on the part of the Senate to escort the Governor to the Joint Convention to be held in the House Chamber, Thursday, March 5, 1992, said Joint Convention to be

convened at 6:45 p.m. and said supplemental budget message of the Governor to be delivered at 7:00 p.m.

O'Connor, Clark, Lynch, Stanius and Welker have been appointed as members of such committee on the part of the House.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 27, 1992

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1948.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 27, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1948: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1855, now on General Orders.

REPORTS OF COMMITTEES

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1908: A bill for an act relating to community service; directing the Minnesota office on volunteer services to prepare a federal grant proposal.

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

Page 1, line 18, delete "*shall*" and insert "*must*"

Page 1, line 19, delete "*and shall*" and insert "*, including an emphasis on youth community service, service learning, and mentoring of youth. The proposal must*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1794: A bill for an act relating to state government; appointments of department heads and members of administrative boards and agencies; clarifying procedures and requirements; amending Minnesota Statutes 1990, sections 15.0575, subdivision 4; 15.06, subdivision 5; and 15.066, subdivision 2.

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

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

S.F. No. 672: A bill for an act relating to human services; the Minnesota equal access to employment opportunities for persons with severe disabilities act; providing for equal employment opportunities for persons with severe disabilities; establishing rights; appropriating money; amending Minnesota Statutes 1990, sections 43A.191, subdivision 2; 120.183; 252.40; 268A.08, subdivision 2; and 268A.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16B and 120.

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

Page 1, line 13, delete "8" and insert "5"

Page 1, line 23, before "one" insert "one-tenth of"

Page 1, line 25, before "state" insert "the legislature and"

Page 2, line 3, before "Every" insert "The legislature and"

Page 2, line 7, before "one" insert "one-tenth of"

Page 3, line 4, after "For" insert "the legislature and"

Pages 3 to 4, delete sections 4 to 6

Page 6, line 14, delete "1991" and insert "1992"

Page 7, line 2, delete "APPROPRIATIONS" and insert "APPROPRIATION"

Page 7, delete lines 3 to 7

Page 7, delete line 8

Page 7, line 9, delete "ADJUSTMENTS.]" and insert paragraph coding

Page 7, line 11, delete "8" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "120.183; 252.40;"

Page 1, line 10, delete "chapters 16B and 120" and insert "chapter 16B"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1658: A bill for an act relating to Ramsey county; fixing times for the reports of the Ramsey county local government cooperation and consolidation study commission; amending Laws 1991, chapter 300, sections 1 and 2.

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

Delete everything after the enacting clause and insert:

“Section 1. Laws 1991, chapter 300, section 1, is amended to read:

Section 1. [RAMSEY COUNTY LOCAL GOVERNMENT SERVICES STUDY.]

A Ramsey county local government services study commission is established to study cooperation between local governments, including school districts, and the possible sharing and consolidation of services, structures, and functions. The commission shall explore cooperative ventures which would be mutually beneficial to the communities involved, review and recommend ways to eliminate overlap and duplication, design programs that would improve services and reduce costs, and develop a systematic process for cooperating, restructuring, sharing, or consolidating. The commission shall report on the advantages and disadvantages of sharing, cooperating, restructuring, or consolidating, with attention to:

- (a) citizen participation in government;
- (b) efficiency and effectiveness of the provision of public service;
- (c) taxation and other public finance matters;
- (d) public employees;
- (e) structure of government;
- (f) possible public economies;
- (g) the historic identity of the community;
- (h) economic development;
- (i) social development;
- (j) environment; and
- (k) other significant factors.

The commission shall report and make recommendations to the local government units in Ramsey county before November 15, 1991, *and again before November 15, 1993*. The elected councils and boards of the local government units affected by any recommendation, and the Ramsey county league of local governments and the Ramsey county charter commission, shall indicate, by resolution, their response to the commission's recommendations before January 15, 1992, *and again before January 15, 1994*. The commission's recommendations and any responses shall be presented to the members of the Ramsey county legislative delegation and to the legislature before February 1, 1992, *and again before February 1, 1994*. The commission may not adopt any recommendation without a 60 percent affirmative vote of the commission members voting on the issue.

The commission may examine consolidation, cooperation, restructuring, or sharing of any services, groups of services, or local government structures as the commission determines ~~except that specific examination and recommendation shall be made in regard to:~~

- (1) the city and county health departments;
- (2) city and county attorney's functions as they relate to criminal law;
- (3) city and county libraries;
- (4) public works; and
- (5) police and sheriff communications, crime lab and investigative functions.

The commission shall be 25 16 residents of, or persons whose principal place of business is located in, Ramsey county selected as follows:

(1) ~~two members one member~~ of the county board ~~or county employees who reside in the city of St. Paul, selected by the county board;~~

(2) ~~two members of the county board or county employees who reside in the county but not in the city of St. Paul, selected by the county board;~~

(3) ~~three members selected by (2) one member~~ of the St. Paul city council ~~from among or the mayor and city council members or other city employees;~~

(4) ~~three members (3) one member~~ selected jointly by the city councils and town boards of the cities and towns in the county, other than St. Paul, from among their mayors and members ~~or their employees;~~

(5) ~~one member of the school board of independent school district No. 625 or an employee, selected by the board;~~

(6) ~~one member of the school boards of other school districts operating in Ramsey county or an employee of those districts, selected jointly by the board members of the several districts;~~

(7) (4) six members of the public who are not public employees and do not hold public office, selected by the members of the legislature who represent the city of St. Paul and the members serving under clauses (1), (3), and (5) and (2);

(8) (5) six members of the public who are not public employees and do not hold public office, selected by the members of the legislature who represent Ramsey county outside the city of St. Paul and the ~~members member~~ serving under ~~clauses (2), (4), and (6) clause (3);~~ and

(9) (6) a chair selected by the other members of the commission who is not an elected official or public employee and who is not one of the above members of the commission.

The commission is encouraged to provide its own staff. In addition, the commission shall be assisted by a staff committee whose members shall consist of the city managers and chief of staff from the communities within Ramsey county, the Ramsey county executive director, and professional staff of these governmental units. This committee shall provide technical assistance to the commission. The commission is encouraged to solicit private or public monies to assist it in its duties. The committee may request the assistance of any other public or private agency or entity.

Members of the commission and the committee shall serve without compensation other than expenses that would be reimbursed to them by the units of government which they represent. The commission may accept gifts, grants, or donations from public and private entities to assist with the costs of its work. A gift, grant, or donation is not subject to Minnesota Statutes, chapter 10A, or other law or rule regulating lobbying expenses.

Sec. 2. Laws 1991, chapter 300, section 2, is amended to read:

Sec. 2. [COOPERATION.]

The commission must solicit recommendations from the Ramsey county league of local governments and the Ramsey county charter commission. By September 1, ~~1991~~ 1993, the commission must receive any recommendations from the league or charter commission. In its final report, the commission must state its conclusions with respect to the recommendations of the league and the charter commission.

Sec. 3. [EFFECTIVE DATE.]

This act takes effect the day after final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "limiting the membership of the commission; clarifying the commission's duties, financing, and staffing;"

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. 1615: A bill for an act relating to game and fish; reducing deer license fees for residents under age 18; amending Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2.

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

Page 1, lines 14, 16, 18, and 20, delete "18" and insert "16"

Page 1, after line 21, insert:

"(8) to take a second deer under section 97B.301, subdivision 4, \$11;"

Page 1, line 22, delete "(8)" and insert "(9)"

Page 1, line 24, delete "(9)" and insert "(10)"

Page 1, line 25, delete "(10)" and insert "(11)"

Page 2, line 2, delete "(11)" and insert "(12)"

Page 2, after line 2, insert:

"Sec. 2. Minnesota Statutes 1990, section 97B.301, subdivision 4, is amended to read:

Subd. 4. [TAKING TWO DEER.] The commissioner may, by order, allow a person to take two deer. The commissioner shall prescribe the conditions for taking the second deer including:

(1) taking by firearm or archery; and

(2) obtaining an additional license; ~~and~~

(3) ~~payment of a fee not more than the fee for a firearms deer license.~~"

Page 2, line 3, delete "2" and insert "3"

Page 2, line 5, delete "1993" and insert "1992"

Amend the title as follows:

Page 1, line 3, delete "18" and insert "16 and for licenses to take a second deer" and after "amending" insert "Minnesota Statutes 1990, section 97B.301, subdivision 4;"

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. 1252: A bill for an act relating to state lands; authorizing the commissioner of administration to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

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

Page 1, line 8, delete "*commissioner of administration*" and insert "*Minnesota veterans homes board*"

Page 1, line 9, delete "*up to*" and insert "*an additional*"

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

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

S.F. No. 1722: A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

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

Page 1, line 12, after the period, insert "*Before releasing the land, the commissioner shall make a new covenant with the city providing that the land reverts to the state if it is used for other than public purposes.*"

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

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

S.F. No. 1014: A bill for an act relating to bicycles; requiring registration; changing the fee structure; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 168C.02, subdivisions 1 and 5; 168C.03; 168C.04, subdivisions 1, 2, and by adding a subdivision; 168C.05; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11; 168C.12; and 168C.13, subdivision 1; repealing Minnesota Statutes 1990, sections 168C.04, subdivisions 3 and 4; and 168C.13, subdivision 2.

Reports the 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 168C.01, is amended to read:

168C.01 [POLICY STATEMENT.]

The legislature of the state of Minnesota finds that the use of bicycles as a means of travel and recreation embodying physical, environmental and social benefits is already recognized by many people in the state, and will be further encouraged given the opportunity for safe, convenient and pleasant bicycle travel. The legislature further finds that dependence on the private automobile must be reduced, particularly in the light of an ~~energy shortage~~ *pollution problems* and encouragement of increased bicycle usage by the provision and maintenance of bikeways and with the addition of some traffic laws designed for the orderly integration of bicycles into traffic systems, is a way of reducing this dependence. However, the growth in popularity of the bicycle as a mode of transportation and as a recreational vehicle has led to an increase in the number of bicycle thefts. *To aid in identifying a bicycle as a separate vehicle class, to aid in the identification of accident victims,* to more effectively deal with the problems associated with theft, and to aid in the recovery of stolen bicycles, a statewide bicycle registration system is hereby created.

Sec. 2. Minnesota Statutes 1990, section 168C.02, subdivision 1, is amended to read:

Subdivision 1. For purposes of ~~Laws 1976, this chapter 199,~~ the terms defined in this section shall have the meanings given them.

Sec. 3. Minnesota Statutes 1990, section 168C.02, subdivision 2, is amended to read:

Subd. 2. “Bicycle” means ~~every device a vehicle having two tandem wheels, either being more than 16 inches in diameter, or having three wheels in contact with the ground, any one being more than 16 inches in diameter,~~ propelled by human power upon which a person or persons may ride, ~~having two tandem wheels either of which is over 14 inches in diameter, or any device generally recognized as a bicycle though equipped with two front or rear wheels,~~ or a unicycle.

Sec. 4. Minnesota Statutes 1990, section 168C.02, subdivision 5, is amended to read:

Subd. 5. “~~License plate~~ *Registration sticker*” means a ~~tag, plate, seal or other device sticker~~ which can be securely attached to a bicycle and is issued upon registration of the bicycle.

Sec. 5. Minnesota Statutes 1990, section 168C.03, is amended to read:

168C.03 [APPLICATIONS.]

~~On or After March 1, 1977 any July 1, 1992, the owner of a bicycle may operated upon public property in Minnesota shall apply for registration of the bicycle to the commissioner, to any deputy registrar of motor vehicles acting pursuant to section 168.33 or to any deputy registrar of bicycles appointed by the commissioner pursuant to section 168C.11.~~ Applications shall contain the name and address of the owner, the signature of the owner,

the name and address of the person from whom purchased, the date of purchase, the date of registration, the make, serial number, and any additional information as the commissioner may require. Applications shall be on a three part form provided by the commissioner. The original shall be retained by or immediately forwarded to the commissioner, the second copy shall be retained by the purchaser and the third copy shall be retained for one year by the deputy registrar, ~~if any,~~ who received the application. The commissioner shall designate a number to be stamped or otherwise permanently affixed on the frames of bicycles on which no serial number can be found, or on which the number is illegible or insufficient for identification purposes.

Sec. 6. Minnesota Statutes 1991 Supplement, section 168C.04, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURES.] ~~The registration fee for bicycles shall be \$9 after July 1, 1991. These Registration fees shall~~ must be paid at the time of registration. The fees, ~~other than the deputy registrar's fee in section 15,~~ and any donations in excess of the fees must be deposited in a bicycle transportation account in the special revenue fund. Proof of purchase is required for registration. Bicycles lacking proof of purchase may be registered if there is no evidence that the bicycle is stolen. However, the registration record must be marked to indicate that no proof of purchase was provided. ~~The registration is valid for three calendar years.~~ A person registering a bicycle may add an additional amount to the registration fee, and all amounts so added must be deposited in the same manner as registration fees. A person registering a bicycle must at the time of registration be informed that a registrant may add an additional amount to the fee and that all such additional amounts will be used for the purposes specified in subdivision 2.

Sec. 7. Minnesota Statutes 1991 Supplement, section 168C.04, is amended by adding a subdivision to read:

Subd. 1a. [REGISTRATION AND FEE SCHEDULE.] *(a)* A bicycle owner shall register and pay a fee as follows:

- (1)* until June 30, 1992, a fee of \$9 for each bicycle registered;
- (2)* after June 30, 1992, a fee of \$5 per bicycle for up to four bicycles registered by a single owner; and
- (3)* after June 30, 1992, a single owner may register between five and ten bicycles at one time for a single fee of \$20.

(b) Except as provided in clauses (1) to (4), a bicycle registration is valid for three bicycle registration years. A bicycle registration year is the period between July 1 and June 30 of the following year;

(1) bicycle registrations issued in calendar year 1991 are valid until June 30, 1994;

(2) bicycle registrations issued in calendar year 1992 are valid until June 30, 1995;

(3) bicycle registrations issued in calendar year 1993 are valid until June 30, 1996; and

(4) bicycle registrations issued after January 1, 1994, are valid for three bicycle registration years.

The commissioner shall notify every owner of a registered bicycle 30 days before renewal is required. A bicycle that is transferred to a new owner must be registered by the purchaser within seven days after transfer.

Sec. 8. Minnesota Statutes 1991 Supplement, section 168C.04, is amended by adding a subdivision to read:

Subd. 1b. [PENALTY.] A person who operates a bicycle in violation of this section is guilty of a petty misdemeanor. No person may be convicted of a violation of this section if the person purchases a bicycle registration within ten days after the violation occurs.

Sec. 9. Minnesota Statutes 1991 Supplement, section 168C.04, is amended by adding a subdivision to read:

Subd. 1c. [NONRESIDENTS.] Sections 3 to 9 do not apply to nonresidents except for students who are registered at an educational institution in Minnesota and are domiciled in Minnesota while attending the institution.

Sec. 10. Minnesota Statutes 1991 Supplement, section 168C.04, subdivision 2, is amended to read:

Subd. 2. [BICYCLE TRANSPORTATION ACCOUNT; MONEY ALLOCATED.] A bicycle transportation account is created in the special revenue fund. ~~All Subject to appropriation by the legislature, funds in the account; up to a maximum of \$160,000 in a fiscal year, are annually appropriated as follows:~~

~~(1) one-half to the commissioner of transportation for the shall be used by the commissioners of transportation, public safety, and natural resources for the following purposes: to offset distributions from the highway user tax distribution fund for the development of bicycle transportation and recreational facilities on public highways, including but not limited to bicycle lanes and ways on highways, off-road bicycle trails, and bicycle mapping; and~~

~~(2) one-half to the commissioner of public safety for bicycle safety programs; administration of the bicycle registration program; and public information and education designed to encourage participation in the program.~~

Sec. 11. Minnesota Statutes 1990, section 168C.06, is amended to read:

168C.06 [NOTIFICATION OF CHANGE OF ADDRESS.]

~~Upon moving or change of address, the owner of a bicycle registered pursuant to Laws 1976, under this chapter 199 shall notify the commissioner in writing of the new address within 14 days.~~

Sec. 12. Minnesota Statutes 1990, section 168C.07, is amended to read:

168C.07 [LICENSE PLATES REGISTRATION STICKERS.]

The commissioner shall provide to the registrant a suitable registration card having the registration number stamped thereon and indicating the date of registration, the make and serial number of the bicycle, the owner's name and address, and any additional information as the commissioner may require. Information concerning each registration shall be retained by the commissioner. The commissioner shall issue a ~~license plate registration sticker for each bicycle registered~~, which shall be securely attached to the bicycle covered by the registration. Upon a satisfactory showing that the ~~license plate registration sticker~~ or registration card has been lost or

destroyed the commissioner shall issue a replacement ~~license plate registration sticker~~ or registration card upon payment of a fee of \$1. All fees so collected shall be deposited ~~to~~ in the ~~general~~ *special revenue fund and credited to the bicycle transportation account.*

Sec. 13. Minnesota Statutes 1990, section 168C.08, is amended to read:

168C.08 [ALTERING SERIAL NUMBERS; PENALTY.]

No person shall willfully remove, destroy, mutilate or otherwise alter the serial number or equivalent number of any bicycle designated by the commissioner pursuant to section 168C.03. No person shall willfully remove, destroy, mutilate, or otherwise alter any ~~license plate registration sticker~~ during the time in which the ~~license plate registration sticker~~ is operative. Any person who violates the provisions of this section is guilty of a misdemeanor.

Sec. 14. Minnesota Statutes 1990, section 168C.09, is amended to read:

168C.09 [THEFT; PENALTY.]

Subdivision 1. The local law enforcement agency shall report the theft of all bicycles registered ~~pursuant to Laws 1976, under this chapter 199~~ to the department of public safety within five days. Reports of the stolen bicycles shall be entered in the Minnesota crime information center of the department of public safety. When the stolen bicycle has been recovered by a local law enforcement agency, the agency shall report the recovery to the department of public safety within five days of the recovery.

Subd. 2. The commissioner shall maintain a record of all bicycles registered ~~pursuant to Laws 1976, under this chapter 199~~ in the state in an automated system. The records shall be available to all authorized law enforcement agencies through the Minnesota crime information center.

Subd. 3. Any person who knowingly sells or offers for sale a bicycle registered under ~~Laws 1976, this chapter 199~~ which is not owned by that person or a family member is guilty of theft and subject to punishment under section 609.52, subdivision 3.

Sec. 15. Minnesota Statutes 1990, section 168C.11, is amended to read:

168C.11 [DEPUTY REGISTRARS OF BICYCLES.]

Subdivision 1. [APPOINTMENT.] Subject to the provisions of subdivision 2, the commissioner shall appoint as deputy ~~registrars~~ *registrar* of bicycles ~~any bicycle dealer, or agent or employee thereof, or agent or employee of a nonprofit organization promoting bicycling or in whose activities bicycling plays an integral part, the clerk of every home rule charter and statutory city with a population over 5,000 or an agent or employee designated by a municipality that sells bicycles at public auction who applies for appointment in a manner prescribed by the commissioner; provided that concurrently there may be no more than one deputy for each separate place of business of a bicycle dealer the city clerk. Upon the request of the city clerk, the commissioner shall appoint a deputy registrar of bicycles in cities with a population under 5,000.~~ Deputy registrars of bicycles shall act as agents of the commissioner and ~~may~~ *shall* accept registrations as provided in ~~Laws 1976, this chapter 199, except that no deputy registrar of bicycles shall be required to register bicycles sold by other bicycle dealers.~~ A city clerk may designate a bicycle dealer, or agent or employee thereof, or an agent or employee of a nonprofit organization established to promote bicycling as a bicycle deputy

registrar. A city may not deny deputy registrar designation to a bicycle dealer or nonprofit organization if any dealer or nonprofit organization in the city is designated. The commissioner, deputy registrars of motor vehicles, and Deputy registrars of bicycles may shall charge and retain an additional \$1 \$2 per individual registration granted for their services. In the case of a deputy registrar of motor vehicles, the \$1 shall be deposited in the treasury of the place for which the deputy registrar is appointed, or if not a public official the deputy registrar shall retain the filing fee and \$5 per multiple registration. A city shall use the additional fees for administrative costs of the city's bicycle programs . Other registration fees collected by the commissioner, deputy registrars of motor vehicles, and deputy registrars of bicycles shall be processed, accounted for, and transmitted to the state treasurer as required by the commissioner.

Subd. 2. [DENIAL, SUSPENSION OR REVOCATION OF APPOINTMENTS.] The commissioner, without prior notice or hearing, may issue an order denying, suspending or revoking any appointment made or applied for pursuant to this section upon finding that the applicant or deputy registrar of bicycles has violated or failed to comply with any provision of ~~Laws 1976, this chapter 199~~ or any rule adopted hereunder. Upon the entry of such an order the commissioner shall promptly serve a copy thereof on the applicant or deputy registrar of bicycles. The order shall state the reasons for its issuance and, in the case of a suspension or revocation of appointment, shall specify that upon the written request of the deputy registrar of bicycles the matter will be set for hearing within 15 days after the receipt of the request, provided that with the consent of the deputy registrar of bicycles a hearing may be held subsequent to the expiration of the period specified herein. If no hearing is requested, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested, the commissioner, after notice and hearing in accordance with the provisions of chapter 14, shall affirm, modify or vacate the order.

Sec. 16. Minnesota Statutes 1990, section 168C.12, is amended to read:

168C.12 [ADMINISTRATION.]

The commissioner shall adopt rules for the implementation and administration of ~~Laws 1976, this chapter 199~~ no later than ~~March 1, 1977. The commissioner shall begin to accept registrations and implement Laws 1976, chapter 199 on March 1, 1977.~~ Nothing herein shall be construed to prevent the commissioner from contracting any service provided under ~~Laws 1976, this chapter 199~~ to any private person or entity or other unit of government.

Sec. 17. Minnesota Statutes 1990, section 168C.13, subdivision 1, is amended to read:

Subdivision 1. ~~After February 28, 1977, No political subdivision may license or register bicycles except as a deputy registrar pursuant to section 168C.11, subdivision 1. However, any political subdivision which had such power prior to March 1, 1977, may thereafter require that any or all bicycles used or ridden upon any highway, street, alley, sidewalk or other public property within the boundaries thereof shall be registered. Applications for new registrations required pursuant to this subdivision shall be made to the commissioner in the same manner and subject to the same rules, fees and penalties as those made voluntarily pursuant to section 168C.03.~~

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, sections 168C.05; and 168C.13, subdivision

2; and Minnesota Statutes 1991 Supplement, section 168C.04, subdivision 3, are repealed.”

Delete the title and insert:

“A bill for an act relating to bicycles; requiring registration; changing the fee structure; providing penalties; amending Minnesota Statutes 1990, sections 168C.01; 168C.02, subdivisions 1, 2, and 5; 168C.03; 168C.06; 168C.07; 168C.08; 168C.09; 168C.11; 168C.12; and 168C.13, subdivision 1; and Minnesota Statutes 1991 Supplement, section 168C.04, subdivisions 1 and 2, and by adding subdivisions; repealing Minnesota Statutes 1990, sections 168C.05; and 168C.13, subdivision 2; and Minnesota Statutes 1991 Supplement, section 168C.04, subdivision 3.”

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

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

S.F. No. 1774: A bill for an act relating to energy; providing incentives for the use of renewable sources of electric energy; exempting wind energy conversion systems from sales taxation; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

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

Page 1, line 13, after “to” insert “*manufacture,*”

Page 1, line 14, delete “1991” and insert “1992”

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

Mr. Hughes from the Committee on Elections and Ethics, to which were referred the following appointments as reported in the Journal for February 24, 1992:

STATE ETHICAL PRACTICES BOARD

Elsa Carpenter
Douglas H. Sillers
Emily Anne Staples
Bruce Willis

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

S.F. No. 1919: A bill for an act relating to trade regulations; regulating certain interactive telephone services; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 8.31, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATE OFFENSES AGAINST THE PROVISIONS OF CERTAIN DESIGNATED SECTIONS; ASSIST IN ENFORCEMENT.] The attorney general shall investigate violations of the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, the nonprofit corporation act (sections 317A.001 to 317A.909), the act against unfair discrimination and competition (sections 325D.01 to 325D.08), the unlawful trade practices act (sections 325D.09 to 325D.16), the antitrust act (sections 325D.49 to 325D.66), section 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), *the act regulating telephone advertising services (section 2)*, and the prevention of consumer fraud act (sections 325F.68 to 325F.70) and assist in the enforcement of those laws as in this section provided.

Sec. 2. [325E.39] [TELEPHONE ADVERTISING SERVICES.]

Subdivision 1. [DEFINITION.] For purposes of this section, “telephone advertising service” means a service that enables advertisers to make recorded personal or other advertisements available to respondents by means of voice mail or another messaging device accessed by telephone. “Telephone advertising service” does not mean advertisements for telephone services or a newspaper or other medium of mass communication that publishes an advertisement for a telephone advertising service.

Subd. 2. [VERIFICATION AND IDENTIFICATION.] A person who operates a telephone advertising service in this state shall:

(1) verify the placement of an advertisement that includes the advertiser’s telephone number or other information that enables respondents to identify and communicate directly with the advertiser by calling the listed number or otherwise communicating with the person identified as the advertiser to ensure that the person placed or consented to the placement of the advertisement; and

(2) in any advertising for the telephone advertising service, provide a business mailing address or business telephone number sufficient to enable persons to communicate with the business operation of the service.”

Delete the title and insert:

“A bill for an act relating to trade regulations; regulating telephone advertising services; providing penalties and remedies; amending Minnesota Statutes 1990, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1633: A bill for an act relating to the city of Bloomington; providing for the membership of the port authority; amending Minnesota Statutes 1990, section 469.071, by adding a subdivision.

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1721: A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; amending Laws 1988, chapter 594, section 6.

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

Page 1, after line 18, insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes 1990, section 466A.06, subdivision 2, is repealed.”

Page 1, line 20, delete “*This act*” and insert “*Section 1*”

Page 1, line 22, after the period, insert “*Under Minnesota Statutes, section 645.023, subdivision 1, paragraph (b), section 2 takes effect without local approval.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “eliminating community resource funding for way to grow program;”

Page 1, line 4, after “6” insert “; repealing Minnesota Statutes 1990, section 466A.06, 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

S.F. No. 1854: A bill for an act relating to appropriations; clarifying the purposes for which a certain appropriation may be spent at Worthington community college.

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

Page 1, line 9, after “*may*” insert “*also*”

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. 1830: A bill for an act relating to water; creating an exemption from certain requirements relating to once-through water use permits; amending Minnesota Statutes 1990, section 103G.271, subdivision 5.

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

Page 2, line 10, delete “*and*”

Page 2, line 12, delete the period and insert “; and

(4) by January 1, 2003, the permittee incurs costs of developing the nature preserve and associated facilities that, when discounted to 1992 dollars, exceed twice the projected cost, as determined by the commissioner, of the conversion required in paragraph (b), discounted to 1992 dollars.

The costs incurred under clause (4) may include preparation of plans and designs; site preparation; construction of wildlife habitat structures; planting of trees and other vegetation; installation of signs and markers; design and construction of trails, docks, and access structures; and design and construction of interpretative facilities. The permittee shall submit an estimate of the cost of the conversion required in paragraph (b) to the commissioner by January 1, 1993, and shall annually report to the commissioner on the progress of the project and the level of expenditures.”

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 430: A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; expanding the permissible use of police state aid; amending Minnesota Statutes 1990, sections 69.021, subdivisions 5 and 6; and 69.031, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Delete everything after the enacting clause and insert:

“Section 1. [60A.152] [INSURANCE PREMIUM TAX EQUIVALENT PAYMENT BY AUTOMOBILE RISK SELF-INSURERS.]

Subdivision 1. [DEFINITIONS.] (a) [APPLICATION.] For purposes of this section, the definitions in paragraphs (b) to (g) apply.

(b) [AUTOMOBILE RISKS.] “Automobile risks” means the risk of providing no-fault insurance under sections 65B.41 to 65B.71.

(c) [EQUIVALENT INSURANCE PREMIUM TAX AMOUNT.] “Equivalent insurance premium tax amount” means two percent of the annual premium actually paid by a person who is comparable to the self-insurer for a motor vehicle comparable to that owned, leased, or controlled by the self-insurer and located at a place comparable to the residence of the self-insurer if the self-insurer is a natural person or at the principal place of business in Minnesota of the self-insurer if the self-insurer is not a natural person, with the determination of comparability to be made by the commissioner of commerce. The self-insurer has the burden of providing to the commissioner adequate information on comparability.

(d) [MOTOR VEHICLE.] “Motor vehicle” has the meaning given in section 65B.43, subdivision 2.

(e) [PERSON.] “Person” means an owner, as defined in section 65B.43, subdivision 4, but does not mean a political subdivision as defined in section 65B.43, subdivision 20.

(f) [SELF-INSURANCE.] *"Self-insurance" means the condition of qualifying as a self-insurer by complying with section 65B.48, subdivisions 3 and 3a.*

(g) [SELF-INSURER.] *"Self-insurer" means a person who has arranged self-insurance for the automobile risks associated with the person's motor vehicle.*

Subd. 2. [EQUIVALENT PAYMENT AMOUNT.] Every self-insurer who owns, leases, or operates a motor vehicle required to be registered or licensed in this state or principally garaged in this state for at least two months in the applicable calendar year shall pay either an annual amount of \$25 or an equivalent insurance premium tax amount, whichever is less. The amount required under this subdivision is payable on July 1, annually, to the commissioner of revenue. A late payment penalty is payable if the amount is not paid by July 1, and is an additional \$10 payment if the total amount is paid by the next following December 1, or an additional amount equal to the original payment amount if the total amount is not paid until after the next following December 1.

Subd. 3. [DEPOSIT OF PAYMENT AMOUNT.] The amounts paid under subdivision 2 must be deposited in the general fund to the credit of the account from which the police state aid provided for in sections 69.011 to 69.051 is payable.

Subd. 4. [RULES AUTHORIZED.] The commissioner of revenue and the commissioner of commerce are authorized to make rules to permit the administration of this section.

Sec. 2. Minnesota Statutes 1991 Supplement, section 69.021, subdivision 5, is amended to read:

Subd. 5. [CALCULATION OF STATE AID.] (a) The amount of fire 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.

(b) The total amount for apportionment in respect to police state aid ~~shall not be greater or lesser than~~ is 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, plus the payment amounts received under section 1 since the last aid apportionment, and reduced by 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 1991 Supplement, section 69.021, subdivision 6, is amended to read:

Subd. 6. [CALCULATION OF APPORTIONMENT OF STATE PEACE OFFICERS AID TO COUNTIES.] The *police* 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. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1992. Sections 2 and 3 are effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; amending Minnesota Statutes 1991 Supplement, section 69.021, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 60A."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1908, 1794, 1658, 1722, 1919, 1633, 1721, 1854, 1830 and 430 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Finn moved that the name of Ms. Johnston be added as a co-author to S.F. No. 1669. The motion prevailed.

Ms. Johnston moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 1688. The motion prevailed.

Mr. Cohen moved that his name be stricken as a co-author to S.F. No. 1755. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1805. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1823. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1832. The motion prevailed.

Mr. Bertram moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1960. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 1984. The motion prevailed.

Mr. Riveness moved that the names of Mr. Morse, Mrs. Pariseau, Mr.

Luther and Mrs. Adkins be added as co-authors to S.F. No. 2032. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Finn be added as a co-author to S.F. No. 2088. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Finn be added as a co-author to S.F. No. 2092. The motion prevailed.

Mr. Solon moved that the name of Mr. Finn be added as a co-author to S.F. No. 2113. The motion prevailed.

Mr. Larson moved that the name of Mr. Moe, R.D. be added as a co-author to S.F. No. 2139. The motion prevailed.

Mr. Cohen moved that S.F. No. 1167 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

Mr. Cohen moved that S.F. No. 1727 be withdrawn from the Committee on Health and Human Services and returned to its author. The motion prevailed.

Ms. Berglin moved that S.F. No. 1821 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Health and Human Services. The motion prevailed.

Mr. Frederickson, D.R. introduced—

Senate Resolution No. 117: A Senate resolution congratulating Kathleen M. Johannsen of Le Sueur, Minnesota, on being named Minnesota Emergency Medical Technician of the Year and National Emergency Medical Technician of the Year.

Referred to the Committee on Rules and Administration.

Mr. Neuville introduced—

Senate Concurrent Resolution No. 9: A Senate concurrent resolution prohibiting the provision of travel costs by a lobbyist.

Referred to the Committee on Rules and Administration.

Ms. Johnston and Mrs. Pariseau introduced—

Senate Concurrent Resolution No. 10: A Senate concurrent resolution amending the joint rules; limiting legislative activity as a lobbyist.

Referred to the Committee on Rules and Administration.

Mr. Sams moved that his name be stricken as a co-author to S.F. No. 1887. The motion prevailed.

Mr. Marty moved that the name of Mr. Morse be added as a co-author to S.F. No. 1908. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Finn be added as a co-author to S.F. No. 2070. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Finn be added as a co-author to S.F. No. 2074. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Finn be added as a co-author to S.F. No. 2075. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Finn be added as a co-author to S.F. No. 2085. The motion prevailed.

Mr. Morse moved that S.F. No. 430, on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Berg moved that S.F. No. 1605, No. 1 on General Orders, be stricken and re-referred to the Committee on Gaming Regulation. The motion prevailed.

Mr. Metzen moved that S.F. No. 720 be recalled from the House of Representatives for further consideration. The motion prevailed.

CALENDAR

S.F. No. 1694: A bill for an act relating to Hennepin county; authorizing expenditures to improve and maintain lake quality; proposing coding for new law in Minnesota Statutes, chapter 383B.

Was read the third time 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, J.B.	Merriam	Ranum
Beckman	Day	Johnston	Metzen	Reichgott
Belanger	DeCramer	Kelly	Moe, R.D.	Renneke
Benson, D.D.	Dicklich	Knaak	Mondale	Sams
Benson, J.E.	Finn	Kroening	Morse	Samuelson
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.R.	Langseth	Olson	Stumpf
Bernhagen	Halberg	Larson	Pappas	Terwilliger
Bertram	Hottinger	Luther	Pariseau	Traub
Brataas	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.

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. 797, 1716 and 1608, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Pappas, Messrs. Kelly, Pogemiller and Ms. Ranum introduced—

S.F. No. 2148: A bill for an act relating to education; including excess costs of certain hazards in the excess transportation levy; making a levy

adjustment; amending Minnesota Statutes 1990, section 275.125, subdivision 5e.

Referred to the Committee on Education.

Mses. Pappas, Ranum and Mr. Pogemiller introduced—

S.F. No. 2149: A bill for an act relating to education; expanding state transportation and authorization; making a levy adjustment; amending appropriations and entitlements; amending Minnesota Statutes 1991 Supplement, sections 124.223, subdivision 1; and 124.225, subdivision 1; Laws 1991, chapter 265, article 2, section 19, subdivision 2.

Referred to the Committee on Education.

Ms. Pappas, Messrs. Kelly, Pogemiller and Ms. Ranum introduced—

S.F. No. 2150: A bill for an act relating to education; modifying the nonregular transportation revenue inflation factor; making a levy adjustment; amending appropriations and entitlements; amending Minnesota Statutes 1991 Supplement, section 124.225, subdivision 7d; and Laws 1991, chapter 265, article 2, section 19, subdivision 2.

Referred to the Committee on Education.

Ms. Pappas, Mr. Pogemiller and Ms. Ranum introduced—

S.F. No. 2151: A bill for an act relating to education; restoring state transportation and authorization for late activities buses; making a levy adjustment; amending appropriations and entitlements; amending Minnesota Statutes 1991 Supplement, sections 124.223, subdivision 1; and 124.225, subdivisions 1 and 7d; Laws 1991, chapter 265, article 2, section 19, subdivision 2.

Referred to the Committee on Education.

Mses. Flynn, Berglin and Mr. Spear introduced—

S.F. No. 2152: A bill for an act relating to human services; requiring the commissioner of human services to investigate child maltreatment in publicly licensed day care facilities; amending Minnesota Statutes 1990, section 626.556, subdivision 10b.

Referred to the Committee on Health and Human Services.

Mses. Flynn, Berglin and Mr. Merriam introduced—

S.F. No. 2153: A bill for an act relating to human services; directing the commissioner of human services to provide equal access to new or existing community programs to all persons with mental retardation or related conditions; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 2154: A bill for an act relating to local government; specifying the prosecuting attorney for certain offenses; amending Minnesota Statutes 1990, section 487.25, subdivision 10.

Referred to the Committee on Judiciary.

Messrs. Novak, Pogemiller, Ms. Reichgott, Messrs. Luther and Johnson, D.J. introduced—

S.F. No. 2155: A bill for an act relating to real property; providing for the rights of persons holding certificate of title to registered land; amending Minnesota Statutes 1991 Supplement, sections 508.25; and 508A.25.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2156: A bill for an act relating to telecommunications; allowing STARS system services to be resold or subleased to certain nonprofit organizations; amending Minnesota Statutes 1990, section 16B.465, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2157: A bill for an act relating to general assistance and work readiness; transferring secondary school students for whom English is a second language from the work readiness program to the general assistance program; amending Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 2158: A bill for an act relating to the environment; petrofund; providing that bonds or insurance must be provided by persons bidding on or performing corrective actions; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

Messrs. Price, Lessard and Berg introduced—

S.F. No. 2159: A bill for an act relating to horse racing; authorizing distribution from the breeders' fund for other breeds; deleting limitations on fair racing days; amending Minnesota Statutes 1990, section 240.14, subdivision 1; Minnesota Statutes 1991 Supplement, section 240.18, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Mr. Davis introduced—

S.F. No. 2160: A bill for an act relating to counties; providing for the place of residence of commissioners in certain years; amending Minnesota Statutes 1991 Supplement, section 375.025, subdivision 4.

Referred to the Committee on Elections and Ethics.

Mr. Kelly introduced—

S.F. No. 2161: A bill for an act relating to taxation; limiting the income tax deduction for qualified residence interest; amending Minnesota Statutes 1990, sections 290.01, by adding a subdivision; and 290.62; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bernhagen; Frederickson, D.R.; Price and Novak introduced—

S.F. No. 2162: A bill for an act relating to natural resources; revising certain laws concerning commercial activities related to wild animals; providing penalties; amending Minnesota Statutes 1990, sections 84.091, subdivision 3; 84.093; 94A.105, subdivisions 1, 2, 3, 4, and by adding a subdivision; 97A.215, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivisions 1, 2, and 3; 97A.475, subdivisions 19, 21, 22, and 24; 97A.505, subdivision 4; 97B.601, subdivision 2; 97B.905, subdivisions 1, 2, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1990, section 97A.105, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Mr. Kelly introduced—

S.F. No. 2163: A bill for an act relating to taxation; income; providing an exclusion for unemployment compensation; amending Minnesota Statutes 1990, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 2164: A bill for an act relating to taxation; providing an exemption from the sales tax for isolated sales of all assets of certain corporations; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12, as amended.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Belanger; Johnson, D.J.; Mses. Flynn, Reichgott and Mr. Terwilliger introduced—

S.F. No. 2165: A bill for an act relating to taxation; providing an exemption from the alternative minimum tax; amending Minnesota Statutes 1990, section 290.0922, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Stumpf; Johnson, D.J.; Moe, R.D.; Kroening and Mrs. Pariseau introduced—

S.F. No. 2166: A bill for an act relating to public employment; providing an early retirement incentive for certain public employees; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5.

Referred to the Committee on Governmental Operations.

Messrs. McGowan, Belanger, Laidig, Knaak and Neuville introduced—

S.F. No. 2167: A bill for an act relating to crimes; expanding the sex offender registration law to require offenders to register when convicted of crimes against certain adult victims; regulating the conditions of probation imposed on convicted sex offenders; amending Minnesota Statutes 1990, sections 609.135, by adding a subdivision; 609.342, subdivision 3; 609.343, subdivision 3; 609.344, subdivision 3; 609.345, subdivision 3; and 609.346, subdivision 2; Minnesota Statutes 1991 Supplement, section 243.166, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Piper and Mr. Johnson, D.J. introduced—

S.F. No. 2168: A bill for an act relating to taxation; providing local government aid increases to the city of Alden.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B.; Messrs. Sams, Lessard, Renneke and Mrs. Pariseau introduced—

S.F. No. 2169: A bill for an act relating to veterans; clarifying admission standards for the Minnesota veterans homes; amending Minnesota Statutes 1990, section 198.022.

Referred to the Committee on Veterans and General Legislation.

Mr. Morse introduced—

S.F. No. 2170: A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding subdivisions.

Referred to the Committee on Local Government.

Mr. Johnson, D.E. introduced—

S.F. No. 2171: A bill for an act relating to Kandiyohi county; permitting the consolidation of the offices of auditor and treasurer.

Referred to the Committee on Local Government.

Mr. Waldorf introduced—

S.F. No. 2172: A bill for an act relating to occupations and professions; board of electricity; exempting certain electrical equipment from listing and labeling requirements; requiring the board of electricity to adopt rule amendments; amending Minnesota Statutes 1991 Supplement, section 326.245.

Referred to the Committee on Commerce.

Mr. Solon introduced—

S.F. No. 2173: A bill for an act relating to cemeteries; providing for additional care fund charges in the sale of certain cemetery lots; amending Minnesota Statutes 1990, section 306.15.

Referred to the Committee on Veterans and General Legislation.

Mr. Bertram introduced—

S.F. No. 2174: A bill for an act relating to taxation; property; providing a special levy for certain firefighters' relief funds; amending Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws. Mr. Waldorf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Belanger, Solon, Ms. Pappas, Messrs. Kroening and Riveness introduced—

S.F. No. 2175: A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex; amending Minnesota Statutes 1990, section 340A.509.

Referred to the Committee on Commerce.

Mr. Bertram introduced—

S.F. No. 2176: A bill for an act relating to taxation; delaying increases in valuation of newly platted land; amending Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Spear introduced—

S.F. No. 2177: A bill for an act relating to juries; prohibiting exclusion from jury service based on a disability; amending Minnesota Statutes 1990, section 593.32.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 2178: A bill for an act relating to human services; requiring medical care providers who treat patients under state medical programs to disclose information about success rates and outcomes for a recommended procedure; amending Minnesota Statutes 1990, section 256.9655.

Referred to the Committee on Health and Human Services.

Mr. McGowan introduced—

S.F. No. 2179: A bill for an act relating to education; requiring a violence prevention curriculum to help children effectively cope with violence in the family setting and elsewhere; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 2180: A bill for an act relating to data practices; providing that library patron records are private data; amending Minnesota Statutes 1991 Supplement, section 13.40, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 2181: A bill for an act relating to cities; Duluth; authorizing the establishment of additional detached facilities under certain conditions.

Referred to the Committee on Commerce.

Messrs. Solon and Gustafson introduced—

S.F. No. 2182: A bill for an act relating to retirement; Duluth teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

Referred to the Committee on Governmental Operations.

Messrs. Hughes, Knaak, Dicklich, Kroening and Dahl introduced—

S.F. No. 2183: A bill for an act relating to education; providing for a workplace literacy center and demonstration project; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 2184: A bill for an act relating to medical records; modifying provisions concerning patient consent to release of records; amending Minnesota Statutes 1991 Supplement, section 144.335, subdivisions 1 and 3a.

Referred to the Committee on Judiciary.

Messrs. Merriam and Lessard introduced—

S.F. No. 2185: A bill for an act relating to game and fish; limiting the prohibition on the use of radio equipment to take protected wild animals to big game and small game; amending Minnesota Statutes 1990, section 97B.085, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mses. Traub, Ranum and Mr. Neuville introduced—

S.F. No. 2186: A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; providing for an American Indian child welfare advisory council; amending Minnesota Statutes 1990, section 257.3579; Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Lessard, Stumpf and Bertram introduced—

S.F. No. 2187: A bill for an act relating to taxation; repealing the corporate alternative minimum tax; amending Minnesota Statutes 1991 Supplement, sections 290.0921, subdivision 8; 290.35, subdivision 3; and 298.01, subdivisions 3d and 4e; repealing Minnesota Statutes 1990, sections 290.0921,

subdivisions 1, 2, 3, 3a, 4, 5, 6, and 7; and 298.01, subdivisions 3c and 4d.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Lessard and Finn introduced—

S.F. No. 2188: A bill for an act relating to taxation; increasing the amount of certain payments in lieu of taxes; amending Minnesota Statutes 1990, sections 477A.12; and 477A.14.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 2189: A bill for an act relating to taxation; providing for additional payments of fire state aid; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 2190: A bill for an act relating to elections; changing the voter certification and balloting provisions for the presidential primary; amending Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08.

Referred to the Committee on Elections and Ethics.

Messrs. Lessard, Finn and Bertram introduced—

S.F. No. 2191: A bill for an act relating to liquor; providing a procedure for determining liquor liability insurance rates; amending Minnesota Statutes 1990, section 340A.409, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Lessard, Vickerman, Finn and Bertram introduced—

S.F. No. 2192: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating and allocating motor vehicle excise tax proceeds to highway and transit purposes; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 174.32; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09.

Referred to the Committee on Transportation.

Mr. Dicklich introduced—

S.F. No. 2193: A bill for an act authorizing a conveyance of state lands to the city of Biwabik.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott and Mr. Pogemiller introduced—

S.F. No. 2194: A bill for an act relating to governmental operations; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; providing for investments and uses of public facilities; amending Minnesota Statutes 1990, sections 11A.24, subdivision 6; 13.76, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.696; 471.697; 471.6985; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; 471; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

Referred to the Committee on Governmental Operations.

Ms. Johnson, J.B. and Mr. Chmielewski introduced—

S.F. No. 2195: A bill for an act relating to education; establishing an adopt-a-school program allowing students and the community to voluntarily maintain a public school; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Mses. Traub, Flynn, Pappas, Messrs. Riveness and Kelly introduced—

S.F. No. 2196: A bill for an act relating to human services; providing for notice to vendors when payments on behalf of a recipient will be reduced or terminated; limiting the liability of the state and county for damages claimed by vendors due to failure of a recipient to pay for rent, goods, or services; amending Minnesota Statutes 1990, section 256.81.

Referred to the Committee on Health and Human Services.

Mr. Cohen, Ms. Flynn, Messrs. Bernhagen, Novak and Pogemiller introduced—

S.F. No. 2197: A bill for an act relating to taxation; imposing taxes, increasing tax rates, and dedicating tax revenues for support of nonprofit arts organizations; providing for distribution of the tax proceeds as determined by the state board of the arts; amending Minnesota Statutes 1990, sections 129D.01; 290.62; 297A.02, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 297A.44, subdivision 1; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 129D.

Referred to the Committee on Veterans and General Legislation.

Mr. Cohen introduced—

S.F. No. 2198: A bill for an act relating to human rights; prohibiting employers from asking employees if they have made or filed sexual harassment complaints; extending the statute of limitations for sexual harassment complaints; amending Minnesota Statutes 1990, sections 363.03, subdivision 1; and 363.06, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Merriam, Ms. Johnson, J.B.; Messrs. Mondale, Dahl and Frederickson, D.R. introduced—

S.F. No. 2199: A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; requiring labeling of rechargeable batteries; requiring studies on automobile waste, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; authorizing rule-making; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115.071, subdivision 1; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.93, by adding a subdivision; 115A.981; 325E.12; 325E.125, subdivision 1; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivision 5; 115A.93, subdivision 3; 115A.931; 325E.1251, subdivision 2; and 473.849; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Neuville, Dahl and Dicklich introduced—

S.F. No. 2200: A bill for an act relating to education; modifying and clarifying certain provisions relating to the state academies at Faribault; amending Minnesota Statutes 1990, section 120A.09, subdivision 2, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 120.17, subdivision 7a; repealing Minnesota Statutes 1990, section 128A.022, subdivision 5.

Referred to the Committee on Education.

Mses. Pappas, Ranum, Messrs. Pogemiller, Merriam and Dahl introduced—

S.F. No. 2201: A bill for an act relating to education; authorizing a levy; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Benson, D.D.; Bernhagen and Renneke introduced—

S.F. No. 2202: A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; amending Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Benson, D.D.; Johnson, D.E. and Laidig introduced—

S.F. No. 2203: A bill for an act relating to redistricting; requiring the revisor of statutes to submit plans for legislative and congressional redistricting; establishing a procedure for the legislature to act on plans submitted by the revisor; creating a redistricting advisory commission; proposing coding for new law in Minnesota Statutes, chapter 2.

Referred to the Committee on Redistricting.

Messrs. Dahl, Frank, Price, Metzen and Langseth introduced—

S.F. No. 2204: A bill for an act relating to motor vehicles; environment; providing for biennial inspections for motor vehicle emissions; amending Minnesota Statutes 1990, sections 116.61, subdivision 1; 116.62, subdivision 4; and 116.64, subdivisions 1 and 3.

Referred to the Committee on Environment and Natural Resources.

Messrs. Laidig and Price introduced—

S.F. No. 2205: A bill for an act relating to state land; authorizing private sale of certain land in Washington county; authorizing environmental cleanup of the land; authorizing alteration of marginal lands.

Referred to the Committee on Environment and Natural Resources.

Ms. Johnson, J.B.; Messrs. Riveness, Bertram, Sams and Solon introduced—

S.F. No. 2206: A resolution memorializing Congress to allow doctors of chiropractic status as commissioned officers in the military.

Referred to the Committee on Veterans and General Legislation.

Messrs. Renneke and Bertram introduced—

S.F. No. 2207: A bill for an act relating to motor vehicles; specifying that registration and payment of taxes on a motor vehicle to which special veterans' license plates had been issued is the responsibility of the transferee; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Mrs. Brataas, Ms. Traub, Mrs. Adkins, Messrs. Davis and Chmielewski introduced—

S.F. No. 2208: A bill for an act relating to Olmsted county; permitting certain exemptions for the conveyance of certain county property.

Referred to the Committee on Local Government.

Messrs. Riveness, Mondale, Luther, Metzen and McGowan introduced—

S.F. No. 2209: A bill for an act relating to crimes; automobile theft; increasing the penalty for fraudulently allowing use or possession of a certificate of title; establishing an automobile theft prevention program; increasing penalty for falsely reporting stolen vehicles; clarifying that the theft statute encompasses disposal of property with altered serial numbers;

increasing penalty for possessing or dealing in motor vehicles or parts with altered serial numbers; permitting factfinder to infer knowledge that property is stolen from existence of altered identification number; increasing penalty for insurance fraud involving false reports of stolen vehicles; requiring restitution to lawful owners and insurers of stolen motor vehicles; amending Minnesota Statutes 1990, sections 168A.30, subdivision 1; 609.505; 609.52, subdivision 2; 609.53, by adding a subdivision; 609.611; and 611A.04, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 609.52, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 168A.

Referred to the Committee on Transportation.

Ms. Pappas, Messrs. Knaak, Cohen, Kelly and Marty introduced—

S.F. No. 2210: A bill for an act relating to Ramsey county; providing for the certification of eligibles for county positions; amending Minnesota Statutes 1990, section 383A.291, by adding a subdivision.

Referred to the Committee on Local Government.

Mr. Metzen, Mrs. Pariseau, Mr. Halberg, Ms. Johnston and Mr. Neuville introduced—

S.F. No. 2211: A bill for an act relating to human services; providing for a pilot project for improved mental health services delivery system in Dakota county for adults with serious and persistent mental illness.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Luther, Belanger, Larson and Samuelson introduced—

S.F. No. 2212: A bill for an act relating to commerce; regulating service of process on certain corporations; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; regulating insurance agent licensing and education; regulating conversion privileges on accident and health policies; modifying coverage for diagnostic procedures for cancer; regulating crop hail adjusters; making various technical changes; amending Minnesota Statutes 1990, sections 48.185, subdivision 7; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.21, subdivision 2; 60D.02, subdivision 8; 62A.21, subdivision 2b; 62A.30, subdivision 1; 62A.54; 62E.16; 64B.35, subdivision 2; 71A.02, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 82B.15, subdivision 3; 83.39, subdivisions 1 and 2; and 543.08; repealing Minnesota Statutes 1990, section 65B.70.

Referred to the Committee on Commerce.

Messrs. Solon, Metzen, Spear, Belanger and Ms. Pappas introduced—

S.F. No. 2213: A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions;

regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.131, subdivision 4; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 56.04; 56.07; 56.12; 56.125, subdivision 2; 56.131, subdivision 4; 300.23; 300.52, subdivision 1; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

Referred to the Committee on Commerce.

Messrs. Hughes, Beckman, Dahl, Ms. Olson and Mr. Pogemiller introduced—

S.F. No. 2214: A bill for an act relating to education; permitting the establishment of regional centers of the state department at ECSU's; allowing certain districts to petition to act as education districts; allowing the loaning and relocation of certain employees; amending Minnesota Statutes 1990, sections 121.11, subdivision 7; and 123.58, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Mr. Mehrkens, Mrs. Pariseau, Messrs. Larson, Merriam and Chmielewski introduced—

S.F. No. 2215: A bill for an act proposing an amendment to the Minnesota Constitution to provide for a unicameral legislature; changing article IV; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by law for a unicameral legislature of 135 members; amending Minnesota Statutes 1990, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Elections and Ethics.

Ms. Berglin, Mr. Johnson, D.J.; Mses. Reichgott, Flynn and Mr. Halberg introduced—

S.F. No. 2216: A bill for an act relating to human services; providing for state takeover of the county share of the costs of growth in emergency general assistance; negotiated rate facility payments and emergency assistance; amending Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Stumpf introduced—

S.F. No. 2217: A bill for an act relating to state government; prohibiting the construction of state buildings with flat roofs; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations.

Ms. Flynn, Messrs. Knaak; Moe, R.D.; Samuelson and Ms. Ranum introduced—

S.F. No. 2218: A bill for an act relating to health; prohibiting health care providers from disclosing information relating to a negative HIV test, except with the special written consent of the patient; amending Minnesota Statutes 1990, section 144.335, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Hottinger introduced—

S.F. No. 2219: A bill for an act relating to education; transferring powers and responsibilities for licensing private business, trade, and correspondence schools to the higher education coordinating board; appropriating money; amending Minnesota Statutes 1990, section 141.21, by adding a subdivision; repealing Minnesota Statutes 1990, section 141.21, subdivision 2.

Referred to the Committee on Education.

Messrs. Finn; Stumpf; Moe, R.D. and Dicklich introduced—

S.F. No. 2220: A bill for an act relating to education; permitting the state university board to demolish and replace the Anishinabe Center on the Bemidji State University campus.

Referred to the Committee on Education.

Messrs. Finn; Stumpf; Moe, R.D. and Morse introduced—

S.F. No. 2221: A bill for an act relating to education; appropriating money to the state university board to assist in the cleanup of the Kummer landfill.

Referred to the Committee on Education.

Messrs. Finn; Moe, R.D.; Stumpf and Dicklich introduced—

S.F. No. 2222: A bill for an act relating to education; permitting the Bemidji State University Foundation to advance money for a new bookstore on the Bemidji State University campus.

Referred to the Committee on Education.

Mrs. Pariseau, by request, introduced—

S.F. No. 2223: A bill for an act relating to insurance; accident and health; regulating assignments of benefits and other claims practices; amending Minnesota Statutes 1990, sections 72A.201, subdivisions 1, 3, 4, and by adding a subdivision; and 72A.21.

Referred to the Committee on Commerce.

Ms. Ranum, Mr. Finn, Ms. Reichgott, Mr. Sams and Ms. Johnson, J.B. introduced—

S.F. No. 2224: A bill for an act relating to domestic abuse; requiring judicial training on domestic abuse; requiring consideration of domestic abuse against children in custody proceedings; limiting the issuance of mutual restraining orders; requiring court administrators to forward orders for protection when applicants change residences; providing for statewide

enforcement of orders for protection; requiring all prosecuting authorities to prepare prosecution plans; providing for the establishment of advocacy programs in each judicial district; requiring presentence investigations; requiring certain arrests and providing for law enforcement policies and procedures; requiring consideration of the primary aggressor in making arrests; appropriating money; amending Minnesota Statutes 1990, sections 518.17, subdivision 1; 518B.01, subdivision 13, and by adding a subdivision; 609.115, subdivision 1; and 611A.0311, subdivisions 2 and 3; Minnesota Statutes 1991 Supplement, sections 518B.01, subdivision 6; and 611A.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 480 and 629.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 2225: A bill for an act relating to taxation; authorizing a property tax exemption for certain improvements to real property; amending Minnesota Statutes 1990, section 469.181, subdivisions 1, 2, 3, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller, Ms. Ranum, Mr. Solon, Ms. Pappas and Mr. Cohen introduced—

S.F. No. 2226: A bill for an act relating to education; authorizing the sale of bonds; proposing coding for new law in Minnesota Statutes, chapter 124C.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 2227: A bill for an act relating to landlords and tenants; changing the interest rate required on a rental deposit; amending Minnesota Statutes 1990, section 504.20, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Mr. DeCramer introduced—

S.F. No. 2228: A bill for an act relating to taxation; property; requiring certain findings by governing body of a municipality before creation of a leasehold cooperative; amending Minnesota Statutes 1991 Supplement, section 273.124, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Mr. Spear, Ms. Flynn, Mr. Pogemiller, Mses. Berglin and Pappas introduced—

S.F. No. 2229: A bill for an act relating to children; providing for a recognition of parentage with the force and effect of a paternity adjudication; providing for preparation and distribution of a recognition form and educational materials for paternity; amending Minnesota Statutes 1990, sections 144.215, subdivision 3; 257.54; 257.541; 257.55, subdivision 1; 257.59, subdivision 1; 257.74, subdivision 1; and 518.156, subdivision 1; Minnesota Statutes 1991 Supplement, section 257.57, subdivision 2; proposing coding

for new law in Minnesota Statutes, chapter 257.

Referred to the Committee on Health and Human Services.

Messrs. Marty, Kelly, Spear, Laidig and McGowan introduced—

S.F. No. 2230: A bill for an act relating to crime; expanding the administrative subpoena power of the county attorney; making information on closed bank accounts available to authorities investigating worthless check cases; specifying when certain search warrants may be served; amending Minnesota Statutes 1990, sections 388.23, subdivision 1; 609.541, subdivision 4; and 626.14; Minnesota Statutes 1991 Supplement, section 609.535, subdivision 6.

Referred to the Committee on Judiciary.

Messrs. Price and Lessard introduced—

S.F. No. 2231: A bill for an act relating to natural resources; requiring establishment of aquatic management areas; amending Minnesota Statutes 1990, section 86A.05, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Messrs. Marty, Kelly, Spear, Laidig and McGowan introduced—

S.F. No. 2232: A bill for an act relating to courts; requiring the state to reimburse counties for certain extradition expenses from any forfeited bail of the defendant or probationer that had been forwarded to the state treasury as required by law; amending Minnesota Statutes 1990, section 485.018, subdivision 5.

Referred to the Committee on Judiciary.

Messrs. Stumpf and Lessard introduced—

S.F. No. 2233: A bill for an act relating to outdoor recreation; granting counties an option to decline to participate in the distribution of snowmobile and all-terrain vehicle trail grant-in-aid funds; amending Minnesota Statutes 1990, sections 84.83, by adding a subdivision; and 85.018, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Finn introduced—

S.F. No. 2234: A bill for an act relating to occupations and professions; modifying disciplinary requirements of the board of social work; allowing the issuance of practice permits; clarifying requirements for changes in licensure level; providing penalties; amending Minnesota Statutes 1990, sections 148B.04, by adding a subdivision; 148B.15; 148B.18, subdivisions 9 and 12; 148B.21, subdivision 2, and by adding subdivisions; 148B.22, subdivision 2; 148B.27, subdivision 3; 148B.28, subdivision 2; Minnesota Statutes 1991 Supplement, sections 148B.04, subdivision 3; 148B.05, subdivision 1; 148B.07, subdivision 3; 148B.08, subdivision 1, and by adding a subdivision; and 148B.175, subdivisions 3, 4, 5, and 8; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, section 148B.05, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Riveness; Frederickson, D.R.; Kroening; Merriam and Price introduced—

S.F. No. 2235: A bill for an act relating to state government; the department of administration; directing the commissioner of administration to monitor the availability of federal money to state agencies and agency application for and receipt of federal grants; requiring agencies to cooperate with the commissioner; requiring reports to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations.

Messrs. Riveness, Waldorf, Mrs. Pariseau, Mr. Hughes and Ms. Ranum introduced—

S.F. No. 2236: A bill for an act relating to governmental units; organizations and agencies established by law, executive order, or action of a political subdivision acting alone or jointly with another political subdivision; imposing standards and requirements of accountability; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Governmental Operations.

Messrs. Morse and Stumpf introduced—

S.F. No. 2237: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.095; 79.251, subdivision 4; 79.252, subdivisions 1 and 3; 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, 8, and by adding subdivisions; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 7, 9, and 11; 176.103, subdivision 3; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.131, subdivisions 1, 1a, 2, 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; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.179; 176.181, subdivisions 3 and 7; 176.182; 176.183, subdivision 1; 176.185, subdivision 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivisions 4 and 5; 176.215, by adding a subdivision; 176.221, subdivisions 3, 3a, 6a, and 7; 176.231, subdivision 10; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivisions 1, 6, and 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; 182.666, subdivision 7; 268.08, subdivision 3; 353.33, subdivision 5; and 480B.01, subdivisions 1 and 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing 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; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Messrs. Morse and Merriam introduced—

S.F. No. 2238: A bill for an act relating to appropriations; appropriating money for control, research, and abatement of nuisance aquatic exotic species in public waters and wetlands.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper introduced—

S.F. No. 2239: A bill for an act relating to retirement; setting an earlier accrual date for a certain retired member of the state retirement system.

Referred to the Committee on Governmental Operations.

Messrs. Stumpf, Morse, Beckman and Davis introduced—

S.F. No. 2240: A bill for an act relating to workers' compensation; providing a new general system of law for the compensation of employment related injuries; providing rights, duties, and remedies; providing for administration and procedure; permitting adoption of administrative rules; modifying insurance regulations; appropriating money; amending Minnesota Statutes 1990, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.252, by adding a subdivision; 79.50; 79.59; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1990, section 175.007.

Referred to the Committee on Employment.

Mr. Stumpf introduced—

S.F. No. 2241: A bill for an act relating to intoxicating liquor; authorizing Lake township in Roseau county to establish, own, and operate an exclusive liquor store.

Referred to the Committee on Commerce.

Mr. Stumpf introduced—

S.F. No. 2242: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers and surviving spouses in the city of Thief River Falls.

Referred to the Committee on Governmental Operations.

Mr. Stumpf introduced—

S.F. No. 2243: A bill for an act relating to workers' compensation; providing a new general system of law for the compensation of employment related injuries; providing rights, duties, and remedies; providing for administration and procedure; permitting adoption of administrative rules; modifying insurance regulations; appropriating money; amending Minnesota Statutes 1990, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.252, by adding a subdivision; 79.50; 79.59; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79; proposing coding for new law as Minnesota Statutes, chapter

176C: repealing Minnesota Statutes 1990, section 175.007.

Referred to the Committee on Employment.

Mr. Cohen introduced—

S.F. No. 2244: A bill for an act relating to juveniles; providing for the retention of certain juvenile court records beyond the age of 23; establishing a centralized system for the identification of juvenile adjudication for certain offenses; appropriating money; amending Minnesota Statutes 1990, section 260.161, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299C.

Referred to the Committee on Judiciary.

Mr. Cohen introduced—

S.F. No. 2245: A bill for an act relating to health; providing for the release of certain immunization data in certain cases; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Judiciary.

Messrs. Spear, Marty, Ms. Berglin and Mr. Johnson, D.E. introduced—

S.F. No. 2246: A bill for an act relating to human services; defining commitment; expanding when a neuroleptic medication may be administered; providing informed consent of a competent person for informal admission; changing treatment alternatives; providing for patient commitment to the commissioner; expanding initial commitment period; defining when the commissioner must designate the regional center or treatment facility to take the committed person; transferring cost of care for committed persons awaiting placement or transfer designation to the state; establishing county financial responsibility for persons temporarily confined; granting continuance of the commitment; clarifying duration of continued commitment; amending Minnesota Statutes 1990, sections 253B.02, by adding a subdivision; 253B.04, subdivision 1; 253B.09; 253B.10, subdivision 1; 253B.11, subdivision 2, and by adding a subdivision; 253B.12, subdivision 5; and 253B.13, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, section 253B.03, subdivision 6c.

Referred to the Committee on Health and Human Services.

Mr. Kroening, Mses. Berglin, Traub and Mr. Johnson, D.E. introduced—

S.F. No. 2247: A bill for an act relating to human services; limiting the powers and duties of public guardian or conservator to the commissioner; amending Minnesota Statutes 1990, section 252A.111, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Langseth, Vickerman and Berg introduced—

S.F. No. 2248: A bill for an act relating to workers' compensation; providing a new general system of law for the compensation of employment

related injuries; providing rights, duties, and remedies; providing for administration and procedure; permitting adoption of administrative rules; modifying insurance regulations; appropriating money; amending Minnesota Statutes 1990, sections 79.01, subdivision 1; 79.074, by adding subdivisions; 79.252, by adding a subdivision; 79.50; 79.59; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1990, section 175.007.

Referred to the Committee on Employment.

Messrs. Finn, Sams, Mses. Piper and Berglin introduced—

S.F. No. 2249: A bill for an act relating to health; specifying timelines for the disposal of cremated remains; modifying standards for county payment of funeral expenses; amending Minnesota Statutes 1991 Supplement, sections 256.935, subdivision 1; and 261.035; proposing coding for new law in Minnesota Statutes, chapter 149.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 2250: A bill for an act relating to crimes; expanding the sex offender registration law to include offenders on probation and offenders held in local correctional facilities, juvenile detention facilities, or treatment facilities; expanding the registration law to also include certain adult victims and to require registration by certain out-of-state offenders who reside in Minnesota; amending Minnesota Statutes 1991 Supplement, section 243.166, subdivisions 1, 2, 3, 4, 6, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Bertram introduced—

S.F. No. 2251: A bill for an act relating to medical examiners; requiring notice to next of kin regarding autopsy results; amending Minnesota Statutes 1990, sections 390.11, by adding a subdivision; and 390.32, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 2252: A bill for an act relating to education; modifying eligibility for the cooperation and combination program; amending Minnesota Statutes 1990, section 122.241, subdivision 3.

Referred to the Committee on Education.

Messrs. Kelly, Spear, Neuville, McGowan and Ms. Ranum introduced—

S.F. No. 2253: A bill for an act relating to public safety; requiring small firearms dealers to maintain pistols in a locked safe after business hours; requiring the commissioner of public safety to establish minimum requirements regarding other security requirements for firearms dealers; proposing coding for new law in Minnesota Statutes, chapter 624.

Referred to the Committee on Judiciary.

Mses. Ranum, Piper, Mr. Kelly and Mrs. Benson, J.E. introduced—

S.F. No. 2254: A bill for an act relating to chemical abuse prevention and treatment; requiring coordinated prevention efforts concerning fetal alcohol syndrome and drug-exposed infants; appropriating money for community chemical abuse prevention program grants; providing grants for chemical dependency programs targeted at pregnant women and mothers, high-risk youth, and young children; requiring chemical use assessments for certain juveniles at an earlier stage of the juvenile court process; clarifying the duties of the office of drug policy and the chemical abuse prevention resource council; expanding the council's membership; requiring the development of a chemical health index model; requiring a statewide chemical health media campaign; appropriating money; amending Minnesota Statutes 1990, sections 241.021, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 260.151, subdivision 1; and 260.172, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 299A.30, subdivision 2; 299A.31, subdivision 1; and 299A.32, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapters 145; and 299A.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B.; Messrs. Langseth, Dahl, Morse and Neuville introduced—

S.F. No. 2255: A bill for an act relating to education; establishing a discretionary equity levy and aid program; amending Minnesota Statutes 1990, section 124A.22, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 124A.03, subdivisions 1f, 1g, 1h, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Beckman and Metzen introduced—

S.F. No. 2256: A bill for an act relating to regional development commissions; requiring regional development commissions to establish permit and license information centers; amending Minnesota Statutes 1990, sections 116C.34, subdivisions 1 and 3; and 462.391, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Renneke introduced—

S.F. No. 2257: A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

Referred to the Committee on Agriculture and Rural Development.

Mr. Benson, D.D. introduced—

S.F. No. 2258: A bill for an act relating to education; authorizing a special levy for independent school district No. 233, Preston-Fountain.

Referred to the Committee on Education.

Mr. Benson, D.D. introduced—

S.F. No. 2259: A bill for an act relating to education; providing for fund balances in independent school district No. 233, Preston-Fountain.

Referred to the Committee on Education.

Mr. Renneke introduced—

S.F. No. 2260: A bill for an act relating to occupations and professions; providing that the board of abstracters may place a licensee in inactive status; amending Minnesota Statutes 1990, section 386.69.

Referred to the Committee on Commerce.

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

S.F. No. 2261: A bill for an act relating to crime; proposing the safe communities act of 1992; increasing penalties for violent crimes; enhancing protections for crime victims; providing measures to assist in the enforcement of criminal laws and the supervision of offenders; authorizing the commissioner of public safety to award emergency anti-crime initiatives grants; providing for anti-violence education and prevention programs; proposing a variety of changes to the felony sentencing system; eliminating "good time" reductions in prison sentences; increasing and imposing new penalties on DWI offenders; increasing treatment and correctional resources for juvenile offenders; improving the operation of the psychopathic personality commitment law; establishing task forces to study ways of improving the criminal records system, the juvenile justice system, and the data practices laws; authorizing state bonds to expand the Minnesota security hospital for psychopathic personality commitments and to permit secure confinement of juveniles at the Minnesota correctional facility-Red Wing; appropriating money and raising fees to fund anti-crime initiatives and other criminal justice system needs; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 8.15; 16A.531, by adding a subdivision; 125.05, subdivision 2; 135A.15; 168.042, subdivisions 2 and 4; 169.121, subdivisions 3, 3a, 3c, 4, and 5; 169.123, subdivision 4; 204B.36, subdivision 4; 241.67, subdivisions 3, and by adding a subdivision; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 4, 5, and by adding subdivisions; 244.09, by adding a subdivision; 259.11; 270A.03, subdivision 5; 488A.021, subdivision 3; 488A.19, subdivision 3; 595.02, subdivision 4; 609.033; 609.0341; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5; 609.152, subdivision 3; 609.19; 609.224, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.531, subdivision 6a; 609.5312, subdivision 1; 611A.52, subdivision 6; 624.714, subdivisions 1, 7 and by adding subdivision; 630.36, subdivision 1, and by adding a subdivision; 631.035; 631.07; Minnesota Statutes 1991 Supplement, sections 121.88, subdivision 10; 125.185, subdivision 4a; 169.123, subdivision 2; 171.29, subdivision 2; 171.30, subdivision 2a; 243.166, subdivision 1; 259.10; 260.125, subdivision 3; 260.161, subdivision 3; 518B.01, subdivision 14; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 126; 169; 244; 256F; 290; 299A; 526; 609; 611A; 617; and 626; repealing

Minnesota Statutes 1990, section 204B.36, subdivision 5.

Referred to the Committee on Judiciary.

Mr. Stumpf introduced—

S.F. No. 2262: A bill for an act relating to education; modifying the review and comment process; establishing a local advisory council; allowing an appeal of a negative review and comment to the state board of education; amending Minnesota Statutes 1990, section 121.148, subdivision 3.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 2263: A bill for an act relating to unemployment compensation; requiring waiver of certain benefit overpayments; amending Minnesota Statutes 1990, section 268.18, subdivision 1.

Referred to the Committee on Employment.

Messrs. Dicklich and Finn introduced—

S.F. No. 2264: A bill for an act relating to utilities; energy conservation improvements; permitting regulated utilities to count expenditures on energy conservation by certain large industrial customers toward the utilities' required expenditures on energy conservation improvements; amending Minnesota Statutes 1991 Supplement, section 216B.241, subdivisions 1a and 2.

Referred to the Committee on Energy and Public Utilities.

Mr. Knaak introduced—

S.F. No. 2265: A bill for an act relating to human services; establishing a pilot project to fund mental health services for victims of domestic violence; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Knaak introduced—

S.F. No. 2266: A bill for an act relating to family law; establishing a pilot community work experience program for absent parents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Knaak; Benson, D.D. and Mrs. Benson, J.E. introduced—

S.F. No. 2267: A bill for an act relating to highways; making certain towns eligible for money from the municipal state-aid street fund; amending Minnesota Statutes 1991 Supplement, sections 161.082, subdivision 2a; and 162.081, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 162.

Referred to the Committee on Transportation.

Ms. Reichgott introduced—

S.F. No. 2268: A bill for an act relating to education; allowing certain reserved revenue to be used for programs to develop leadership skills; amending Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1.

Referred to the Committee on Education.

Mrs. Pariseau introduced—

S.F. No. 2269: A bill for an act relating to elections; campaign finance; prohibiting certain caucus fundraisers during legislative sessions; prohibiting the transfer of funds from one candidate's principal campaign committee to another candidate's principal campaign committee; prohibiting the formation of more than one campaign committee by a candidate; requiring that recipients of public subsidies agree to raise at least one-half of private contributions from individual constituents; amending Minnesota Statutes 1990, sections 10A.14, subdivision 2; 10A.19, subdivision 1; 10A.27, subdivision 9; 10A.322, by adding a subdivision; and 10A.323; Minnesota Statutes 1991 Supplement, sections 10A.065, subdivisions 1 and 5; and 10A.324, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Mr. Gustafson and Mrs. Pariseau introduced—

S.F. No. 2270: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 4, and article V, sections 2 and 4; placing limits on the terms of office of legislators and executive officers.

Referred to the Committee on Elections and Ethics.

Messrs. Riveness, Halberg and Ms. Flynn introduced—

S.F. No. 2271: A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; setting property acquisition conditions; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

Referred to the Committee on Metropolitan Affairs.

Mses. Traub, Ranum, Piper and Mr. Dicklich introduced—

S.F. No. 2272: A bill for an act relating to the legislature; declaring a state policy for children, youth, and their families; amending the responsibilities of the legislative commission on children, youth, and their families; appropriating money; amending Minnesota Statutes 1991 Supplement, section 3.873, subdivisions 1, 4, 5, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 2273: A bill for an act relating to state government; reorganizing, consolidating, and restructuring state agencies and departments; creating the department of environmental protection and conservation, the board of environmental review, and the office of assistance and public advocacy;

transferring all powers and duties of the pollution control agency, the department of natural resources, the environmental quality board, the board of water and soil resources, the office of waste management, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response compensation board; transferring certain powers and duties of the departments of agriculture, health, public safety, trade and economic development, and transportation; authorizing rulemaking; amending Minnesota Statutes 1991 Supplement, section 15A.081, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 100A; and 100B.

Referred to the Committee on Governmental Operations.

Mr. Dahl introduced—

S.F. No. 2274: A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; amending Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 10, and by adding subdivisions; and 326.84, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Morse and Stumpf introduced—

S.F. No. 2275: A bill for an act relating to game and fish; providing for free fish house and dark house licenses for residents; allowing the taking of fish on certain boundary waters; amending Minnesota Statutes 1990, sections 97A.475, subdivision 11; and 97C.355, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Marty and Ms. Ranum introduced—

S.F. No. 2276: A bill for an act relating to data practices; authorizing government agencies to charge the market rate for the release of certain public data for commercial purposes; allowing individuals to request that data not be released for commercial purposes; amending Minnesota Statutes 1990, sections 13.02, by adding a subdivision; 13.03, by adding a subdivision; and 13.04, by adding a subdivision.

Referred to the Committee on Judiciary.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Ms. Pappas moved that S.F. No. 1868 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Commerce. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, March 4, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-SECOND DAY

St. Paul, Minnesota, Wednesday, March 4, 1992

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Marilyn S. Breckenridge.

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

Adkins	Flynn	Knaak	Metzen	Reichgott
Belanger	Frank	Kroening	Moe, R. D.	Riveness
Benson, D.D.	Frederickson, D.R.	Laidig	Mondale	Sams
Benson, J.E.	Gustafson	Langseth	Morse	Solon
Berg	Halberg	Larson	Neuville	Spear
Bertram	Hottinger	Lessard	Novak	Stumpf
Chmielewski	Hughes	Luther	Olson	Terwilliger
Dahl	Johnson, D.E.	Marty	Pappas	Vickerman
Davis	Johnson, D.J.	McGowan	Pariseau	
Dicklich	Johnson, J.B.	Mehrkens	Price	
Finn	Johnston	Merriam	Ranum	

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Beckman; DeCramer; Frederickson, D.J. and Ms. Traub were excused from the Session of today.

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. 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; Anderson, I. and Pellow.

Senate File No. 81 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 2, 1992

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1852, 1957 and 2031.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 2, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1852: A bill for an act relating to Big Stone, Chippewa, and Kandiyohi counties; permitting each county to consolidate the offices of auditor and treasurer.

Referred to the Committee on Local Government.

H.F. No. 1957: A bill for an act relating to elected officials; restricting compensation for local elected officials; providing for terms for Cook county hospital district board members; amending Minnesota Statutes 1990, section 43A.17, by adding a subdivision; and Laws 1989, chapter 211, section 8, subdivision 3.

Referred to the Committee on Local Government.

H.F. No. 2031: A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1944: A bill for an act relating to housing; authorizing the issuance and sale of state bonds for the neighborhood land trust program; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1896: A bill for an act relating to economic development; providing for the return of money under certain grant programs to be credited to the agricultural and economic development account; amending Minnesota Statutes 1990, section 116J.873, subdivision 4; Laws 1987, chapter 386, article 9, section 19, as amended.

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

Page 1, lines 22 and 23, reinstate the stricken language and delete the new language and insert “, *except that money repaid to the state which is derived from the sale of a loan by a local community or recognized Indian tribal government must be credited to the commissioner’s revolving economic recovery account*”

Page 2, line 15, after “*money*” insert “*derived*” and after the first “*the*” insert “*sale of a loan from the*”

Page 2, line 16, delete “*shall*” and insert “*after the effective date of this section must*”

Amend the title as follows:

Page 1, line 4, after “to” insert “the commissioner’s revolving economic recovery account or”

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

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

S.F. No. 1869: A bill for an act relating to transportation; authorizing privileged highway use for transit buses and requiring instruction in the driver’s manual; providing tax credits for transit use; imposing a tax on gasoline sales at retail and requiring tax proceeds to be used for transit; authorizing municipalities to impose transportation utility fees; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.04; 169.18, by adding a subdivision; 169.19, subdivision 1; 171.13, by adding a subdivision; 297A.02, by adding a subdivision; 297A.021, subdivision 1; and 297A.25, subdivision 7; Minnesota Statutes 1991 Supplement, section 297A.44, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapters 290; and 444.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [TRANSIT.] “Transit” has the meaning given “regular route transit” in section 174.22, subdivision 8.

Sec. 2. Minnesota Statutes 1990, section 169.04, is amended to read:

169.04 [LOCAL AUTHORITIES.]

The provisions of this chapter shall not be deemed to prevent local authorities, with respect to streets and highways under their jurisdiction, and with the consent of the commissioner, with respect to state trunk highways, within the corporate limits of a municipality, or within the limits of a town in a county in this state now having or which may hereafter have, a population of 500,000 or more, and a land area of not more than 600 square miles, and within the reasonable exercise of the police power from:

- (1) Regulating the standing or parking of vehicles;
- (2) Regulating traffic by means of police officers or traffic-control signals;
- (3) Regulating or prohibiting processions or assemblages on the highways;
- (4) Designating particular highways as one-way roadways and requiring that all vehicles, except emergency vehicles, when on an emergency run, thereon be moved in one specific direction;
- (5) Designating any highway as a through highway and requiring that all vehicles stop before entering or crossing the same, or designating any intersection as a stop intersection, and requiring all vehicles to stop at one or more entrances to such intersections;
- (6) Restricting the use of highways as authorized in sections 169.80 to 169.88; and
- (7) *Designating particular lanes of a street or highway for the sole use of transit buses.*

No ordinance or regulation enacted under clause (4), (5), ~~or (6)~~, or (7) shall be effective until signs giving notice of such local traffic regulations are posted upon and kept posted upon or at the entrance to the highway or part thereof affected as may be most appropriate. No ordinance or regulation enacted under clause (3) or any other provision of law shall prohibit the use of motorcycles utilizing flashing red lights for the purpose of escorting funeral processions, oversize buildings, heavy equipment, parades or similar processions or assemblages on the highways.

Sec. 3. Minnesota Statutes 1990, section 169.18, is amended by adding a subdivision to read:

Subd. 11. [TRANSIT BUSES.] Except as provided in section 169.20, subdivision 5, or when otherwise directed by a police officer, a driver changing into the right-hand lane of a four-lane roadway shall yield the right of way in the lane to a transit bus traveling, turning, or stopping to load or unload passengers.

Sec. 4. Minnesota Statutes 1990, section 169.19, subdivision 1, is amended to read:

Subdivision 1. [TURNING AT INTERSECTION.] The driver of a vehicle intending to turn at an intersection shall do so as follows:

- (1) Both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway;
- (2) Approach for a left turn on other than one-way roadways shall be made in that portion of the right half of the roadway nearest the center line thereof, and after entering the intersection the left turn shall be made so as to leave the intersection to the right of the center line of the roadway being entered. Whenever practicable the left turn shall be made in that portion of the intersection to the left of the center of the intersection;

(3) Approach for a left turn from a two-way roadway into a one-way roadway shall be made in that portion of the right half of the roadway nearest the center line thereof and by passing to the right of such center line where it enters the intersection;

(4) A left turn from a one-way roadway into a two-way roadway shall be made from the left hand lane and by passing to the right of the center line of the roadway being entered upon leaving the intersection;

(5) Where both streets or roadways are one way, both the approach for a left turn and a left turn shall be made as close as practicable to the left-hand curb or edge of the roadway;

(6) Local authorities in their respective jurisdictions may cause markers, buttons, or signs to be placed within or adjacent to intersections and thereby require and direct that a different course from that specified in this section be traveled by vehicles turning at an intersection, and when markers, buttons, or signs are so placed no driver of a vehicle shall turn a vehicle at an intersection other than as directed and required by such markers, buttons, or signs;

(7) Whenever it is necessary for the driver of a motor vehicle to cross a bicycle lane adjacent to the driver's lane of travel to make a turn, the driver shall drive the motor vehicle into the bicycle lane prior to making the turn, and shall make the turn, yielding the right-of-way to any vehicles approaching so close thereto as to constitute an immediate hazard; *and*

(8) *No person shall turn a vehicle at an intersection in front of a transit bus that is stopped to load or unload passengers except as directed by a police officer.*

Sec. 5. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1e. [TRANSIT BUS RIGHT-OF-WAY.] The commissioner shall include in each edition of the driver's manual published by the department instruction relating to transit bus rights-of-way."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing privileged highway use for transit buses and requiring instruction in the driver's manual; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.04; 169.18, by adding a subdivision; 169.19, subdivision 1; and 171.13, by adding a subdivision."

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

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

S.F. No. 1643: A bill for an act relating to child support; prohibiting issuance of drivers' licenses to persons with child support arrearages; requiring suspension of a driver's license for failure to pay child support; appropriating money; amending Minnesota Statutes 1990, section 171.04, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 171; and 518.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 14, delete "*submits a verified*" and insert "*signs a*"

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

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

S.F. No. 1993: A bill for an act relating to transportation; providing tax incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; increasing the penalty for assaulting a transit operator; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.19, subdivision 1; 216C.15, subdivision 1; 290.01, subdivision 19b, and by adding a subdivision; and 609.2231, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 290; and 473.

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

Page 1, after line 20, insert:

"Section 1. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [HIGH-OCCUPANCY VEHICLE.] "High-occupancy vehicle" means a passenger vehicle with two or more occupants clearly visible from a distance of at least 50 feet, a truck with a gross vehicle weight rating of 12,000 pounds or less with two or more occupants clearly visible from a distance of at least 50 feet, and the following, regardless of the number of occupants: buses, vans displaying the marking of the metropolitan transit commission, clearly marked and licensed taxicabs, authorized emergency vehicles, and motorcycles.

Sec. 2. [169.055] [HIGH-OCCUPANCY VEHICLE ROADWAYS.]

Subdivision 1. Road authorities may designate portions of roadways for the exclusive use of high-occupancy vehicles. Such designated roadways shall be indicated by signs or distinctive pavement markings. No vehicle except those defined in section 1 shall be operated on a roadway designated for use by high-occupancy vehicles.

Subd. 2. The owner, or in the case of a leased vehicle, the lessee of a motor vehicle, operated in violation of this section, is liable for a civil penalty of up to \$100. The owner or lessee shall not be liable for the civil penalty if the vehicle was stolen, or if another person is convicted of a violation of this subdivision for the same violation."

Page 7, lines 1 and 2, delete "5 to 8" and insert "7 to 10"

Page 7, line 12, delete "7" and insert "9"

Page 7, line 15, delete "6, subdivision 5" and insert "8, subdivision 3"

Page 7, line 32, before "local" insert "and"

Page 7, line 33, delete everything after “area”

Page 7, line 34, delete “council”

Page 8, delete lines 1 to 28

Page 8, line 29, delete “4” and insert “2”

Page 9, line 7, delete “5” and insert “3”

Page 9, line 17, delete “6” and insert “8”

Page 9, line 18, delete “5” and insert “3”

Page 10, delete lines 21 to 31

Page 10, line 32, delete “7” and insert “6”

Page 10, line 32, delete “GOVERNMENT EMPLOYERS” and insert “COMPLIANCE” and delete “a government” and insert “an affected”

Page 10, lines 35 and 36, delete “government” and insert “affected”

Page 11, delete lines 3 and 4

Page 11, line 12, delete “5 to 8” and insert “7 to 10”

Renumber the sections of article 1 in sequence

Page 11, delete article 2

Page 11, line 24, delete “3” and insert “2”

Page 15, after line 28, insert:

“No tapes may be retained after the demonstration project ends unless needed for legal purposes.”

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before “prohibiting”

Page 1, line 11, after “sections” insert “169.01, by adding a subdivision;”

Page 1, line 12, after the second semicolon, insert “and”

Page 1, line 13, delete the second “and”

Page 1, line 14, delete everything before “Minnesota”

Page 1, line 17, after “chapters” insert “169;”

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1704: A bill for an act relating to the city of Minneapolis; regulating the use of the proceeds of the city sales and use tax; permitting their use for school readiness centers; amending Laws 1986, chapter 396, section 4, subdivision 3, as amended.

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

Delete everything after the enacting clause and insert:

“Section 1. [NEIGHBORHOOD SCHOOL READINESS CENTER.]

A neighborhood school readiness center provides programs to promote the physical, emotional, and social development of all children residing in the city of Minneapolis from birth until ready to enter first grade. A center may include:

(1) way to grow school readiness programs as defined in Minnesota Statutes, section 145.926;

(2) Head Start and other preschool programs;

(3) kindergarten and related programs; and

(4) other family support and child development activities which strengthen the capacity of a family to give birth to and successfully nurture healthy children.

A center shall be located as close as possible to the families and children it serves and may be housed in one structure or in structures in close proximity to each other. A center may be owned by any private or public entity other than the board established under section 2.

Sec. 2. [CREATION OF BOARD.]

Special school district No. 1 and the city of Minneapolis may establish a neighborhood school readiness board under Minnesota Statutes, section 471.59, to create, manage, and operate neighborhood school readiness centers on the terms and conditions agreed to by the district and the city. The Minneapolis youth coordinating board established under Laws 1985, chapter 91, may serve as the neighborhood school readiness board provided that the governing bodies of special school district No. 1 and the city of Minneapolis, together with the youth coordinating board, adopt resolutions designating the youth coordinating board as the neighborhood school readiness board under the authority of this act. If an existing board ceases to function, and in the absence of a new joint powers agreement creating a new board, an interim joint powers board shall govern. The interim board shall consist of five members, two of whom shall be selected by resolution of the governing body of special school district No. 1, two of whom shall be selected by resolution of the city council of the city of Minneapolis, and one of whom shall be selected by the mayor with the approval of the city council. Persons selected to serve may be elected officials from their respective bodies. Any interim board shall elect its own officers and shall serve until a new joint powers agreement establishes a new board.

Sec. 3. [POWERS.]

The neighborhood school readiness board is authorized to:

(1) manage and operate and acquire leasehold interests in neighborhood school readiness centers, and all leasehold interests in centers shall be vested in the board or in another governmental unit as may be designated by the board;

(2) employ permanent or temporary employees as it may require, and determine their qualifications, duties, and compensation;

(3) use the services of the participating local public bodies and of other political subdivisions or public bodies whose jurisdiction includes all or a part of the area of the city of Minneapolis;

(4) sublease space or assign any of its leasehold interests to any public

or private entity in connection with the programs described in section 1;

(5) develop criteria and request proposals for the provision of services described in section 1, clauses (2) and (3), by private entities which propose to provide these services to less than 100 children at any one location, and provide financial assistance to those private entities for the costs of managing and operating a facility and providing these services;

(6) receive funds or other assistance from both private and public sources; and

(7) take other action as it deems necessary or useful to carry out its responsibilities under this act.

The board shall not exercise any control over the content or curriculum of Head Start or any programs operated by special school district No. 1.

Sec. 4. [SUPPORT BY PARTICIPANTS AND OTHER PUBLIC BODIES.]

The city of Minneapolis and special school district No. 1 are authorized to appropriate money to the board, to the Minneapolis community development agency, or to each other, for use in connection with neighborhood school readiness centers and facilities described in section 3, clause (5), and to undertake activities in support of the purposes of the board, including the acquisition, construction, equipping, and improving of neighborhood school readiness centers. Any appropriations may be subject to any conditions that the appropriating entity may establish. Other political subdivisions and public bodies whose jurisdictions include all or a part of the city of Minneapolis, including the Minneapolis community development agency, are authorized to exercise any of their powers for the purposes for which the board may act and to acquire, construct, provide facilities for, and equip neighborhood school readiness centers on behalf of the city or special school district No. 1. Any appropriations may be subject to the conditions that the appropriating entity may establish. Notwithstanding any limitations in Laws 1986, chapter 396, the city of Minneapolis may annually appropriate the proceeds of sales and use taxes collected or received by the city under Laws 1986, chapter 396, section 4, to the board or otherwise expend such funds in support of the board's purposes. Neighborhood school readiness centers shall be an authorized use of such tax revenues under Laws 1986, chapter 396.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day after its approval by the governing bodies of special school district No. 1 and the city of Minneapolis and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the creation of a neighborhood school readiness board in the city of Minneapolis and special school district No. 1; authorizing the acquisition and betterment and operation of neighborhood school readiness centers; authorizing the pledge and expenditure of local sales and use taxes."

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1705: A bill for an act relating to the city of Minneapolis; authorizing the city to issue general obligation bonds to finance certain parking, plaza, and other improvements related to federal courts project.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Economic Development and Housing. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1932: A bill for an act relating to counties; providing for a tax levy for land management systems; amending Minnesota Statutes 1990, section 381.12, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1849: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended.

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

Page 2, line 1, delete "1989" and insert "1998"

Page 2, line 9, delete "1998" and insert "1992"

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

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

S.F. No. 1681: A bill for an act relating to livestock diseases; modifying requirements for certain tests; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

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

Page 1, after line 7, insert:

"Section 1. [35.243] [RULES FOR CONTROL OF BRUCELLOSIS IN CATTLE.]

The board of animal health shall adopt rules to provide for the control of brucellosis in cattle. The rules may include provisions for quarantine, tests, and vaccinations, and such other measures as the board deems appropriate."

Page 1, line 10, after "sell" insert " , lease, or loan"

Page 1, line 11, after "sale" insert ", lease, or loan" and strike "over six months of age at"

Page 1, line 12, strike the old language and delete the new language

Page 1, line 13, strike the old language

Page 1, line 15, strike everything after the period

Page 1, strike lines 16 to 18

Page 2, line 13, delete "Canada" and insert "a country"

Page 2, line 14, strike "health" and after "certificate" insert "of veterinary inspection"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the second semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 35;"

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. 1945: A bill for an act relating to health; appropriating money to the commissioner of health to review proposals from occupations and professions seeking to be licensed or regulated.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 589: A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

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

Pages 11 and 12, delete section 16 and insert:

"Sec. 16. Minnesota Statutes 1991 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors

or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying, and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching;
- (11) peace officer standards and training;
- (12) social work; ~~and~~
- (13) marriage and family therapy; *and*
- (14) *nutrition and dietetics practice.*

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations."

Page 12, line 32, delete "1991" and insert "1992"

Amend the title as follows:

Page 1, line 8, delete "sections" and insert "section" and after "and" insert "Minnesota Statutes 1991 Supplement, section"

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

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

S.F. No. 2000: A bill for an act relating to family law; modifying provisions dealing with the administration, computation, and enforcement of child support; modifying visitation provisions; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 257.67, subdivision

3; 357.021, subdivision 1a; 518.003, subdivision 3; 518.14; 518.171, subdivisions 1, 3, 4, 5, 6, 7, and 9; 518.175, subdivision 1; 518.54, subdivision 4; 518.551, subdivisions 1, 7, and 10, and by adding subdivisions; 518.57, subdivision 1, and by adding subdivisions; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 357.021, subdivision 2; 518.551, subdivisions 5 and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapters 16B and 518; repealing Minnesota Statutes 1990, section 609.37.

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

Page 8, after line 27, insert:

“Sec. 13. Minnesota Statutes 1990, section 518.24, is amended to read:
518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. *A child support order constitutes a finding by the court that the obligor has the ability to pay the award.* If the obligor disobeys the order, it is prima facie evidence of contempt.”

Page 9, line 8, delete everything after the period

Page 9, delete line 9

Page 9, line 10, delete everything before the period and insert “*The order shall specify the proportion of the expenses to be paid by the obligor, equal to the proportion of the obligor's share of the total combined incomes of the parents*”

Page 9, line 21, delete “*half*” and insert “*the proportion of*”

Page 9, line 22, before the semicolon, insert “*equal to the proportion specified in the court's order for adjustment*”

Page 9, line 30, delete “*half the*” and insert “*the specified*”

Page 11, line 11, delete “20” and insert “548.091, subdivision 1a”

Page 15, after line 6, insert:

“*The deduction under clause (v) may not exceed \$125.*”

Page 18, delete lines 11 to 13 and insert:

“(j) *The court may not deviate downward from the child support guidelines if the child support payments are assigned to the public agency under section 256.74.*

Sec. 19. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. [DETERMINATION OF INCOME.] (a) The parties shall timely

serve and file documentation of earnings and 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 earnings and income also 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 earnings and 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) *In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them their most recent federal tax returns. The party shall provide a copy of the tax returns within 20 days of receipt of the request.*

(c) 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 ~~(e)~~ (d). Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota department of jobs and training under section 268.121.

~~(e)~~ (d) 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 unemployment or underemployment: (1) is 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."

Page 20, line 6, delete "28" and insert "548.091, subdivision 1a,"

Page 23, line 32, delete "and" and insert "or"

Page 23, delete line 33

Page 23, line 34, delete the new language and insert:

"(ii) the current support order deviated upward from the guidelines or the presumptive child support amount under section 518.551, subdivision 5, paragraph (i), and the motion is to decrease child support to the guidelines or presumptive amount.

If the court considers the financial needs of new children in a motion under clause (i) or (ii), the court shall consider the financial circumstances of the obligor's spouse, if any"

Page 27, line 13, delete "23" and insert "25"

Page 27, line 15, delete "24" and insert "26"

Page 27, line 16, delete "28" and insert "30"

Page 27, line 19, delete "29 to 31 and 33" and insert "31 to 33 and 35"

Renumber the sections of article 1 in sequence

Page 31, line 15, after the period, insert "*Other counties may elect to participate in the process.*"

Page 31, line 18, strike everything after "counties"

Page 31, line 19, strike "services" and insert "*that participate in the process*"

Page 32, line 34, delete "*Within the limits of available appropriations.*"

Page 32, line 35, delete "*provide grants*" and insert "*distribute money appropriated for this purpose*"

Page 33, line 1, after the period, insert "*If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount appropriated among the counties.*"

Page 33, line 31, delete "*reducing the number of cases in which there are*" and insert "*prohibiting*"

Amend the title as follows:

Page 1, line 9, after "1;" insert "518.24;"

Page 1, line 16, after "5" insert ", 5b,"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1013: A bill for an act relating to local government; transferring authority for incorporations, detachments, and annexations to the office of administrative hearings and the state planning agency; providing a single annexation procedure; amending Minnesota Statutes 1990, sections 414.01, subdivisions 1, 14, 15, 16, and by adding subdivisions; 414.011, subdivisions 7 and 8; 414.012; 414.02; 414.031; 414.035; 414.041; 414.051; 414.06; 414.061; 414.063; 414.067; 414.07; 414.08; and 414.09; repealing Minnesota Statutes 1990, section 414.01, subdivisions 2, 3, 3a, 4, 5, 6a, 7a, 8, 10, 11, and 12; 414.0325; 414.033; and 414.036.

Reports the 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 414.01, subdivision 2, is amended to read:

Subd. 2. The board shall be composed of three *permanent* members, *two of whom shall be* appointed by the governor, *at least*. One of ~~whom~~ *the governor's appointees* shall be learned in the law, and *at least one of whom* shall be a resident from outside of the metropolitan area as defined in section

473.121, subdivision 2. *The third member is the director of the office of strategic and long-range planning or the director's designee from the office. The board shall select from its members a chair who shall have the powers and duties prescribed by the general law applicable to the heads of departments and agencies of the state. In proceedings before the board for the incorporation of a statutory city, or the consolidation of two or more municipalities, or annexation of unincorporated land to a municipality, two county commissioners of the board of the county in which all or a majority of the affected land is located shall serve on the board during such the time as the board shall have has the matter under consideration said matter. In an annexation proceeding, an official of the affected town and an official of the affected city appointed by the affected town board or city council shall serve on the board during the time the board has the annexation proceeding under consideration. The executive director of the board shall upon initiation of a proceeding for such incorporation, consolidation, or annexation notify the county auditor of the county in which the majority of the affected property is situated of the need for the appointment of the two county commissioners or a town and city official to the board. At the next succeeding meeting of the county or town board or city council the commissioners appropriate body shall designate the two appointed commissioners or official and shall thereupon immediately notify the Minnesota municipal board executive director of their its action. The county commissioners shall represent districts which do not contain any of the affected territory. If commissioners from the unaffected districts are unavailable, commissioners from the affected district may serve.*

Sec. 2. Minnesota Statutes 1990, section 414.01, subdivision 14, is amended to read:

Subd. 14. [POPULATION.] *When a board order enlarges or diminishes the area of an existing municipality or town, the population of the annexed or detached area shall be as found by the board at its hearing or as stated in the resolution or ordinance in cases in which no hearing for the boundary change is required. The effective date of the population change shall be the same as the effective date of the order whether or not the order is from a hearing or from the approval of an annexation resolution or ordinance. The board shall communicate its population finding to the state demographer who shall incorporate that data into the population estimate for the municipality or town. When a new municipality is created by an order of the board, the municipality shall request a separation census from the United States bureau of the census and bear any costs incurred.*

Sec. 3. Minnesota Statutes 1990, section 414.01, is amended by adding a subdivision to read:

Subd. 17. [DATA FROM STATE AGENCIES.] *The board may request information from any state department or agency in order to assist in carrying out its duties and the department or agency is authorized and required to promptly furnish the information requested to the board.*

Sec. 4. Minnesota Statutes 1990, section 414.0325, subdivision 1, is amended to read:

Subdivision 1. [INITIATING THE PROCEEDING.] *One or more townships and one or more municipalities, by joint resolution, may designate an unincorporated area as in need of orderly annexation and may confer jurisdiction on the board over annexations in the designated area and over*

the various provisions in said agreement by submission of said joint resolution to the executive director. The resolution shall include a description of the designated area. Thereafter, an annexation of any part of the designated area may be initiated by submitting to the executive director a resolution of any signatory to the joint resolution or by the board of its own motion. ~~Whenever the pollution control agency or other state agency pursuant to sections 115.03, 115.071, 115.49, or any law giving a state agency similar powers, orders a municipality to extend a municipal service to a designated unincorporated area, such an order will confer jurisdiction on the Minnesota municipal board to consider designation of the area for orderly annexation.~~

If a joint resolution designates an area as in need of orderly annexation and states that no alteration of its stated boundaries is appropriate, the board may review and comment, but may not alter the boundaries.

If a joint resolution designates an area as in need of orderly annexation, provides for the conditions for its annexation, and states that no consideration by the board is necessary, the board may review and comment, but shall, within 30 days, order the annexation in accordance with the terms of the resolution.

Sec. 5. Minnesota Statutes 1990, section 414.0325, is amended by adding a subdivision to read:

Subd. 1a. [CERTAIN ORDERLY ANNEXATIONS.] When the pollution control agency or other state agency or the affected county health department under section 115.03, 115.071, 115.49, or any law giving a state agency or county agency similar powers receives a citizen or local unit of government complaint alleging pollution within two miles of a city, the agency or department shall investigate the alleged pollution complaint and make a finding that pollution either does or does not exist within a reasonable period of time of up to 180 days. The agency's or department's finding shall be reported to the board and the complaining person or local unit of government within seven days of the finding. If the agency or department:

(1) orders a municipality to extend a municipal service to a designated unincorporated area and files the order with the board; or

(2) finds that a pollution problem exists;

the order or finding confers jurisdiction on the board to consider designation of the area for orderly annexation.

An area designated for orderly annexation under this subdivision may be annexed by ordinance without objection by the affected township under section 414.033 if:

(1) the area is determined in need of service or a finding of pollution in the area has been made;

(2) the municipality has the capacity to provide the necessary service to the affected area; and

(3) the servicing of the affected area is generally consistent with the plans of the municipality.

In its ordinance for annexation, the municipality must affirmatively state that it meets each of the above conditions.

Sec. 6. Minnesota Statutes 1990, section 414.0325, is amended by adding

a subdivision to read:

Subd. 1b. [ORDERLY ANNEXATION BY PETITION.] If the board receives a petition for annexation of an area owned by a municipality or from all of the property owners in an area, and the area is within two miles of the corporate boundaries of the municipality, the petition shall confer jurisdiction on the board to consider designation of the area for orderly annexation. Upon receipt of the petition, the board shall inform the affected parties of their opportunity to request a hearing before the board on the petition, and if a hearing is requested, it must be held within 30 days of the request. Any person aggrieved by the board's designation of an area as appropriate for orderly annexation may appeal the board's order to district court in accordance with section 414.07.

Sec. 7. Minnesota Statutes 1990, section 414.033, subdivision 2, is amended to read:

Subd. 2. A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

(a) (1) the land is owned by the municipality; or

(b) (2) the land is completely surrounded by land within the municipal limits; or

(3) the land abuts the municipality and the municipality receives a petition for annexation from all the property owners of the land.

Sec. 8. Minnesota Statutes 1990, section 414.033, is amended by adding a subdivision to read:

Subd. 2a. [MUNICIPALITY MAY ANNEX.] Notwithstanding the abutting requirement of subdivision 1, if land is owned by a municipality or if all of the landowners petition for annexation, and the land is within an existing orderly annexation area as provided by section 414.0325, then the municipality may declare the land annexed.

Sec. 9. Minnesota Statutes 1990, section 414.033, subdivision 3, is amended to read:

Subd. 3. If the perimeter of the area to be annexed by a municipality is 60 percent or more bordered by the municipality and if the area to be annexed is 40 acres or less, the municipality shall serve notice of intent to annex upon the town board and the municipal board, *unless the area is appropriate for annexation by ordinance under subdivision 2, clause (3).* The town board shall have 90 days from the date of service to serve objections with the board. If no objections are forthcoming within the said 90 day period, such land may be annexed by ordinance. If objections are filed with the board, the board shall conduct hearings and issue its order as in the case of annexations under section 414.031, subdivisions 3 and 4.

Sec. 10. Minnesota Statutes 1990, section 414.033, subdivision 5, is amended to read:

Subd. 5. If the land is platted, or, if unplatted, does not exceed 200 acres, ~~the property owner~~ or a majority of the property owners in number may petition the municipal council to have such land included within the abutting municipality and, within ten days thereafter, shall file copies of the petition with the board, the town board, the county board and the municipal council of any other municipality which borders the land to be annexed. Within 90

days from the date of service, the town board or the municipal council of such abutting municipality may submit written objections to the annexation to the board and the annexing municipality. Upon receipt of such objections, the board shall proceed to hold a hearing and issue its order in accordance with section 414.031, subdivisions 3, 4, and 5. If written objections are not submitted within the time specified hereunder and if the municipal council determines that property proposed for the annexation is now or is about to become urban or suburban in character, it may by ordinance declare such land annexed to the municipality. If the petition is not signed by all the property owners of the land proposed to be annexed, the ordinance shall not be enacted until the municipal council has held a hearing on the proposed annexation after at least 30 days mailed notice to all property owners within the area to be annexed.

Sec. 11. Minnesota Statutes 1990, section 414.06, subdivision 1, is amended to read:

Subdivision 1. [INITIATING THE PROCEEDING.] Property which is situated within a municipality and abutting the municipal boundary, rural in character and not developed for urban residential, commercial, or industrial purposes may be detached from the municipality *to an abutting township* according to the following procedure. The proceeding may be initiated by submitting to the board a resolution of the municipality to which the land is attached or by submitting to the board a petition of all of the property owners of the land to be detached if the area is less than 40 acres or of 75 percent of the property owners if over 40 acres. The petition or resolution shall set forth the boundaries and the area of the land to be detached, the number and character of the buildings, the resident population, and the municipal improvements, if any, in the area.

Sec. 12. Minnesota Statutes 1990, section 414.061, subdivision 5, is amended to read:

Subd. 5. [PROPERTY OWNER INITIATION.] Property owners may initiate proceedings for the concurrent detachment of their property from one municipality and its annexation to an adjacent municipality by a petition signed by all of them *submitted to the board with an accompanying resolution of the city council of at least one of the affected municipalities*. The board shall conduct hearings and issue its order as in the case of consolidations of two or more municipalities under sections 414.041, subdivision 5 and 414.09.

Sec. 13. [REPORT TO LEGISLATURE.]

The Minnesota municipal board shall establish criteria for defining the term "urban or suburban in character," as the term is used in Minnesota Statutes, chapter 414, and report its criteria to the legislature by February 1, 1993.

Sec. 14. [REPEALER.]

Minnesota Statutes 1990, section 414.031, subdivision 5, is repealed.

Sec. 15. [EFFECTIVE DATE.]

The provision of section 1 relating to the appointment to the municipal board of the director of the office of strategic and long-range planning or the director's designee is effective for the appointment of the member whose term begins in 1993. The remainder of section 1 and sections 2 to 14 are effective the day following final enactment."

Delete the title and insert:

“A bill for an act relating to local government; changing the membership of the municipal board; clarifying the board’s duties and authority; clarifying the annexation process; requiring a report; amending Minnesota Statutes 1990, sections 414.01, subdivisions 2, 14, and by adding a subdivision; 414.0325, subdivision 1, and by adding subdivisions; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 414.06, subdivision 1; and 414.061, subdivision 5; repealing Minnesota Statutes 1990, section 414.031, subdivision 5.”

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

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

S.F. No. 422: A bill for an act relating to human services; establishing a board of chemical dependency counselors; licensing and regulating chemical dependency counselors; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 595.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 148C.

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

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 148B.60, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED MENTAL HEALTH PRACTITIONER OR PRACTITIONER.] “Unlicensed mental health practitioner” or “practitioner” means a person who provides or purports to provide, for remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical examiners under chapter 147; the board of nursing under sections 148.171 to 148.285; the board of psychology under sections 148.88 to 148.98; the board of social work under sections 148B.18 to 148B.28; the board of marriage and family therapy under sections 148B.29 to 148B.39; *the board of chemical dependency counselors*; or another licensing board if the person is practicing within the scope of the license; or members of the clergy who are providing pastoral services in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by a religious congregation. For the purposes of complaint investigation or disciplinary action relating to an individual practitioner, the term includes:

(1) hospital and nursing home social workers exempt from licensure by the board of social work under section 148B.28, subdivision 6, including hospital and nursing home social workers acting within the scope of their employment by the hospital or nursing home;

(2) persons employed by a program licensed by the commissioner of human services who are acting as mental health practitioners within the scope of their employment;

(3) persons employed by a program licensed by the commissioner of human services who are providing chemical dependency counseling services; persons who are providing chemical dependency counseling services

in private practice; and

(4) clergy who are providing mental health services that are equivalent to those defined in subdivision 4.”

Page 1, line 10, delete “148C.01” and insert “148B.74”

Page 1, line 12, delete “1 to 12” and insert “2 to 13”

Page 1, line 25, delete “1 to 11” and insert “2 to 13”

Page 1, line 27, delete “1” and insert “2”

Page 2, line 1, delete “12” and insert “13”

Page 2, lines 3 and 4, delete “1 to 11” and insert “2 to 13”

Page 2, line 31, delete “board of”

Page 2, line 32, after “counseling” insert “licensing board”

Page 3, line 18, delete “148C.02” and insert “148B.75”

Page 3, lines 22 and 23, delete “with the advice and consent of the senate”

Page 4, lines 5, 13, and 17, delete “1 to 11” and insert “2 to 13”

Page 4, line 18, delete “3” and insert “4”

Page 4, line 19, delete “148C.03” and insert “148B.76”

Page 4, line 26, delete “4” and insert “5”

Page 5, line 1, delete “1 to 11” and insert “2 to 13”

Page 5, line 22, delete “5” and insert “6”

Page 5, line 30, delete “148C.04” and insert “148B.77”

Page 5, lines 32 and 33, delete “1 to 11” and insert “2 to 13”

Page 6, lines 18, 32, and 35, delete “1 to 11” and insert “2 to 13”

Page 6, line 23, delete “148C.05” and insert “148B.78”

Page 6, line 33, delete “148C.06” and insert “148B.79” and delete “LICENSE WITHOUT EXAMINATION” and insert “SPECIAL LICENSE REQUIREMENTS”

Page 6, line 36, delete “without examination”

Page 7, line 1, after the first “applicant” insert “who does not meet the requirements in section 5”

Page 7, line 23, delete “148C.07” and insert “148B.80”

Page 7, line 28, delete “1 to 11” and insert “2 to 13”

Page 7, line 29, delete “148C.08” and insert “148B.81”

Page 7, line 31, delete “148C.09” and insert “148B.82”

Page 7, lines 35 and 36, delete “, after a hearing under the contested case provisions of chapter 14.”

Page 8, line 19, after “board” insert “at least annually”

Page 8, after line 21, insert:

“Subd. 4. [APPEALS.] An individual whose application for a license

has been denied, or an individual whose license has been suspended, revoked, or restricted, may appeal the decision of the board and is entitled to a contested case hearing under chapter 14."

Page 8, line 22, delete "148C.10" and insert "148B.83"

Page 8, line 31, after the period, insert "*Hospital chemical dependency counselors who are not licensed under sections 2 to 13 may use the title "hospital chemical dependency counselor" while acting within the scope of their employment.*"

Page 8, delete lines 32 and 33

Page 8, line 34, delete "148C.11" and insert "148B.84"

Page 8, line 36, delete "1 to 10" and insert "2 to 11"

Page 9, line 6, before "*professional*" insert "*social workers,*"

Page 9, line 8, delete "*state that they*" and insert "*use a title incorporating the words "chemical dependency counselor" or "licensed chemical dependency counselor" or otherwise hold themselves out to the public by any title or description stating or implying that they are licensed to engage in the practice of chemical dependency counseling.*"

Page 9, delete lines 9 and 10

Page 9, line 11, delete "1 to 10" and insert "2 to 11"

Page 9, after line 29, insert:

"Subd. 5. [CITIES OF 5,000 OR LESS.] The licensing of chemical dependency counselors in cities with a population of 5,000 people or less is voluntary.

Subd. 6. [HOSPITAL CHEMICAL DEPENDENCY COUNSELORS.] The licensing of hospital chemical dependency counselors shall be voluntary. Hospitals employing chemical dependency counselors shall not be required to employ licensed chemical dependency counselors, nor shall they require their chemical dependency counselors to be licensed.

Sec. 13. [148B.85] [PENALTY.]

A person who violates a provision of sections 2 to 12 is guilty of a misdemeanor.

Sec. 14. Minnesota Statutes 1990, section 214.01, subdivision 2, is amended to read:

Subd. 2. "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the board of medical examiners created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of psychology established pursuant to section 148.90, the social work licensing board pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the board of unlicensed mental health service providers established pursuant to section 148B.41, *the chemical dependency counseling licensing board established pursuant to section 3*; the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of pediatric medicine

established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 15. Minnesota Statutes 1991 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;
- (6) architecture, engineering, land surveying, and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching;
- (11) peace officer standards and training;
- (12) social work; ~~and~~
- (13) marriage and family therapy; *and*
- (14) *chemical dependency counseling.*

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations."

Page 14, line 1, delete "1 to 12" and insert "2 to 13"

Page 14, line 3, delete "13" and insert "17" and delete "1991" and insert "1992"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 214.01, subdivision 2; and" and after "1;" insert "Minnesota Statutes 1991 Supplement, sections 148B.60, subdivision 3; and 214.04, subdivision 3;"

Page 1, line 7, delete "as" and insert "in"

Page 1, line 8, delete "148C" and insert "148B"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1823: A bill for an act relating to government purchasing; requiring the state to purchase, use, and require contractors to use packing materials made of renewable resources; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Page 1, line 10, after the second "use" insert "loose fill"

Page 1, line 11, after "renewable" insert "agriculture"

Page 1, after line 19, insert:

"Sec. 2. [115A.992] [LOOSE FOAM POLYSTYRENE PACKING MATERIALS; BAN.]

Subdivision 1. [DEFINITION.] For purposes of this section, "loose foam polystyrene packing material" means packing made primarily from polystyrene that consists of loose particles intended to fill space and cushion a packaged article in a shipping or display container.

Subd. 2. [BAN.] A person may not use loose foam polystyrene packing material or place loose foam polystyrene packing material in or on the land, in the solid waste stream, or in a waste management facility in the state.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1993."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "banning the use or disposal of loose foam polystyrene packing materials;"

Page 1, delete line 6 and insert "chapters 16B; and 115A."

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1512: A bill for an act relating to the state budget; requiring the commissioner of finance to prepare performance budgets; prescribing their

contents; requiring the commissioner of administration to prepare a functional analysis of state government; amending Minnesota Statutes 1990, section 16A.095, by adding subdivisions; repealing Minnesota Statutes 1990, section 16A.095, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1740: A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; appropriating money; amending Minnesota Statutes 1990, sections 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; and 302A.471, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 322B.

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

Page 2, line 2, delete "*must be*" and insert "*is*"

Page 8, line 11, delete "*this*" and insert "*a*"

Page 17, line 20, delete "*this*" and insert "*a member control*"

Page 17, line 26, delete "*this*" and insert "*a member control*"

Page 18, line 15, delete "*this*" and insert "*a member control*"

Page 21, line 26, delete "OR LCC"

Page 21, line 27, delete "*or* "*LCC*"

Page 26, line 10, after "*I,*" insert "*clause (5),*"

Page 26, line 12, delete "*and leaves the limited liability company with at least*"

Page 26, line 13, delete "*two remaining members*"

Page 27, line 23, delete "*must be*" and insert "*is*"

Page 42, line 9, delete "*this*"

- Page 42, line 22, delete "*that*" and insert "*a*"
- Page 47, line 24, delete "*must not be*" and insert "*is not*"
- Page 47, line 25, delete "*must not be*" and insert "*is not*"
- Page 47, line 26, delete "*must*" and insert "*may*"
- Page 51, line 17, delete "*1*" and insert "*2*"
- Page 53, line 18, delete "*must*" and insert "*are to*"
- Page 54, line 6, delete "*to be made*"
- Page 54, line 7, after "*(1)*" insert "*to be made*"
- Page 54, line 8, after "*(2)*" insert "*to be made*"
- Page 54, line 9, after "*(3)*" insert "*to be made*"
- Page 54, line 13, after "*(4)*" insert "*to be made*"
- Page 54, line 14, delete "*and*" and insert "*or*"
- Page 54, line 15, before "*or*" insert "*to be made*"
- Page 55, line 10, delete the colon and insert a semicolon
- Page 58, line 4, delete "*except*"
- Page 61, line 17, delete "*this*" and insert "*the*"
- Page 66, line 15, delete "*, clause (2)*"
- Page 66, line 35, delete "*(2)*" and insert "*(1)*"
- Page 72, line 8, delete "*must be accepted*" and insert "*is acceptable*"
- Page 73, line 31, delete "*4*" and insert "*1*"
- Page 75, line 28, delete "*should*" and insert "*must*"
- Page 81, line 9, delete "*must*" and insert "*is to*" and after "*treated*" insert "*or considered*"
- Page 85, line 6, delete "*(4)*" and insert "*(5)*"
- Page 85, line 10, delete "*(4)*" and insert "*(5)*"
- Page 85, line 11, delete "*(5)*" and insert "*(6)*"
- Page 85, line 16, delete the semicolon and insert a colon
- Page 85, line 24, delete "*paragraph (b)*" and insert "*clause (1)*"
- Page 85, line 25, delete "*(b)*" and insert "*(1)*"
- Page 94, line 22, delete "*must*" and insert "*are to*"
- Page 95, line 15, delete "*must consist*" and insert "*consists*"
- Page 101, line 11, delete "*this*" and insert "*the*"
- Page 103, line 16, delete "*must*" and insert "*may*"
- Page 104, line 34, delete "*must not be*" and insert "*are not*"
- Page 106, line 33, before "*These*" insert "*Each of*"
- Page 106, line 34, delete "*have*" and insert "*has*"
- Page 113, line 20, delete "*must*"

Page 113, line 21, delete “*not be*” and insert “*are not*”

Page 117, line 10, delete everything after the period and insert:

“*If owners owning any class or*”

Page 121, line 30, delete “*it*” and insert “*real estate*”

Page 125, line 7, delete “*must be dissolved*” and insert “*dissolves*”

Page 125, line 17, after “*the*” insert “*occurrence of an event that terminates the continued membership of a member in the limited liability company, including*”

Page 126, line 1, delete everything after the comma and insert:

“*but the limited liability company is not dissolved and*”

Page 126, line 3, after “*if*” insert “*(A) either*”

Page 126, line 4, after “*members*” insert “*or a new member is admitted as provided in section 322B.103,*” and after the first “*and*” insert “*(B)*”

Page 128, line 6, delete “*must be*” and insert “*is*”

Page 135, line 34, after the period, insert “*After the notice is filed*”

Page 135, line 35, delete “*after the notice is filed*”

Page 139, line 5, after “*that*” delete “*the*” and insert “*any*”

Page 139, line 7, after “*awarded*” insert “*by the court*”

Page 149, line 13, delete “*it,*” and insert “*the proceeding*”

Page 152, line 24, after “*limited*” insert “*liability*”

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. 1735: A bill for an act relating to children; authorizing criminal background checks of professional and volunteer child care providers; establishing procedures for the sharing of criminal record data with child care employers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C.

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

Delete everything after the enacting clause and insert:

“Section 1. [299C.60] [CITATION.]

Sections 1 to 5 may be cited as the “Minnesota child protection background check act.”

Sec. 2. [299C.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] The definitions in this section apply to sections 2 to 5.

Subd. 2. [BACKGROUND CHECK CRIME.] “Background check crime” includes felony-level violations of the following crimes: child abuse crimes,

murder, manslaughter, assault, kidnapping, arson, criminal sexual conduct, prostitution-related crimes, and controlled substance crimes.

Subd. 3. [CHILD.] "Child" means an individual under the age of 18.

Subd. 4. [CHILD ABUSE CRIME.] "Child abuse crime" means an act committed against a minor victim that constitutes a violation of section 609.185, clause (5); 609.221; 609.222; 609.223; 609.224; 609.322; 609.323; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378.

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] "Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services, including a business or organization that licenses or certifies others to provide children's services.

Subd. 6. [CHILDREN'S SERVICE WORKER.] "Children's service worker" means a person who:

(1) is employed by, volunteers with, or seeks to be employed by or volunteer with a children's service provider;

(2) owns, operates, or seeks to own or operate a children's service provider; or

(3) may have access to a child to whom the children's service provider provides children's services.

Subd. 7. [CHILDREN'S SERVICES.] "Children's services" means the provision of care, treatment, education, training, instruction, supervision, or recreation to children.

Subd. 8. [CJIS.] "CJIS" means the Minnesota criminal justice information system.

Subd. 9. [SUPERINTENDENT.] "Superintendent" means the superintendent of the bureau of criminal apprehension.

Sec. 3. [299C.62] [BACKGROUND CHECKS.]

Subdivision 1. [GENERALLY.] The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. The superintendent shall require the submission of fingerprints and is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check.

Subd. 2. [BACKGROUND CHECKS; REQUIREMENTS.] The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:

(1) a question asking whether the children's service worker has ever been convicted of, arrested for, or charged with a background check crime and if so, requiring a description of the crime, the particulars of the conviction, and the disposition of the arrest or charge;

(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and

(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.

Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 1 to 5.

Subd. 3. [CHILDREN'S SERVICE WORKER RIGHTS.] (a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).

(b) A children's service worker who is the subject of a background check request has the following rights:

(1) the right to be informed that a children's service provider will request a background check on the children's service worker;

(2) the right to obtain a copy of the background check report and any record that forms the basis for the report; and

(3) the right to challenge the accuracy and completeness of any information contained in the report or record.

Subd. 4. [RESPONSE OF BUREAU.] The superintendent shall respond to a background check request as soon as practicable after receiving the signed, written document described in subdivision 2. The superintendent's response shall be limited to a statement that the background check crime information contained in the document is or is not complete and accurate.

Sec. 4. [299C.63] [EXCEPTION; HUMAN SERVICES LICENSEES.]

A background check performed on a human services licensee or applicant under this section does not satisfy the requirements of section 245A.04 or the rules adopted under it.

Sec. 5. [299C.64] [RULEMAKING AUTHORIZED.]

The superintendent may adopt rules necessary to implement sections 1 to 4."

Delete the title and insert:

"A bill for an act relating to children; authorizing criminal background checks of professional and volunteer children's service workers; establishing procedures for the sharing of criminal record data with children's service providers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C."

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

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

H.F. No. 1948 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.
1948	1855				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1948 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1948 and insert the language after the enacting clause of S.F. No. 1855, the first engrossment; further, delete the title of H.F. No. 1948 and insert the title of S.F. No. 1855, the first engrossment.

And when so amended H.F. No. 1948 will be identical to S.F. No. 1855, and further recommends that H.F. No. 1948 be given its second reading and substituted for S.F. No. 1855, and that the Senate File be indefinitely postponed.

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for February 24, 1992:

**MINNESOTA HOUSING FINANCE AGENCY
COMMISSIONER**

James J. Solem

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

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred the following appointment as reported in the Journal for January 9, 1992:

**DEPARTMENT OF CORRECTIONS
COMMISSIONER**

Orville B. Pung

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

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

Mr. Spear from the Committee on Judiciary, to which was referred the following appointment as reported in the Journal for January 7, 1992:

**DEPARTMENT OF HUMAN RIGHTS
COMMISSIONER**

David L. Beaulieu

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. No. 1681 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1948 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1790. The motion prevailed.

Mr. Price moved that the names of Messrs. Johnson, D.J.; Frederickson, D.R. and Moe, R.D. be added as co-authors to S.F. No. 2037. The motion prevailed.

Mr. Bertram moved that the name of Mr. Morse be added as a co-author to S.F. No. 2120. The motion prevailed.

Ms. Pappas moved that the name of Mr. Morse be added as a co-author to S.F. No. 2151. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 2177. The motion prevailed.

Mr. Renneke moved that the names of Messrs. Sams, Beckman and Davis be added as co-authors to S.F. No. 2257. The motion prevailed.

Mr. Riveness moved that the name of Ms. Ranum be added as a co-author to S.F. No. 2271. The motion prevailed.

Ms. Traub moved that the name of Mr. Knaak be added as a co-author to S.F. No. 2272. The motion prevailed.

Mr. Pogemiller moved that the names of Messrs. Davis and Dahl be added as co-authors to S.F. No. 2273. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Vickerman and Stumpf introduced—

S.F. No. 2277: A bill for an act relating to taxation; providing an additional property tax refund to certain homeowners; amending Minnesota Statutes 1990, section 290A.04, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Ms. Ranum, Messrs. Kelly, Pogemiller, Merriam and McGowan introduced—

S.F. No. 2278: A bill for an act relating to corrections; requiring finger and thumb prints of inmates, parolees, and probationers received from other states; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 2279: A bill for an act relating to human services; creating the section of American Indian programs on alcohol and drug abuse; outlining duties of the special assistant for American Indian programs; amending Minnesota Statutes 1990, section 254A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Kelly, Ms. Ranum and Mr. Pogemiller introduced—

S.F. No. 2280: A bill for an act relating to corrections; establishing a grant program to fund additional secure juvenile detention beds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Judiciary.

Mr. Kelly introduced—

S.F. No. 2281: A bill for an act relating to education; providing for a funding formula for a nonviolence curriculum in certain school districts; appropriating money for nonviolence programs in Ramsey county school districts; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Messrs. Hottinger; Knaak; Moe, R.D.; Belanger and Riveness introduced—

S.F. No. 2282: A bill for an act relating to state government; regulating administrative rulemaking; providing for corrective legislation; requiring the attorney general and administrative law judge to disregard harmless errors; regulating dual notices; establishing an expedited procedure for federally mandated rules; amending Minnesota Statutes 1990, sections 3C.04, subdivision 4; 14.115, subdivision 5; 14.15, by adding a subdivision; 14.22; 14.26; and 14.32; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Governmental Operations.

Mr. Vickerman introduced—

S.F. No. 2283: A bill for an act relating to lawful gambling; exempting certain organizations from the requirement to have an annual financial audit; amending Minnesota Statutes 1991 Supplement, section 349.19, subdivision 9.

Referred to the Committee on Gaming Regulation.

Mr. Vickerman introduced—

S.F. No. 2284: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for design, engineering, and construction for a flood and erosion control project for the Middle Des Moines watershed district; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Vickerman introduced—

S.F. No. 2285: A bill for an act relating to taxation; exempting the raising and sale of llamas; amending Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 2286: A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Mr. Lessard introduced—

S.F. No. 2287: A bill for an act relating to the local government trust fund; providing for payment from the fund for fiscal years 1994 and 1995; appropriating money.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 2288: A bill for an act relating to public employment; requiring that employees of the state be Minnesota residents; amending Minnesota Statutes 1990, section 43A.13, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Samuelson and Johnson, D.E. introduced—

S.F. No. 2289: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for the Minnesota national guard education center; appropriating money.

Referred to the Committee on Veterans and General Legislation.

Messrs. DeCramer, Vickerman and Frederickson, D.R. introduced—

S.F. No. 2290: A bill for an act relating to capital improvements; appropriating money for the reinvest in Minnesota resources program; authorizing the sale of state bonds.

Referred to the Committee on Finance.

Messrs. Metzen; Bernhagen; Johnson, D.J.; Beckman and Ms. Berglin introduced—

S.F. No. 2291: A bill for an act relating to tax increment financing; clarifying, recodifying, and providing tax increment financing procedures and requirements; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Minnesota Statutes 1990, section 273.1399, as amended.

Referred to the Committee on Economic Development and Housing.

Mr. Kroening, Ms. Ranum and Mr. Samuelson introduced—

S.F. No. 2292: A bill for an act relating to state agencies; providing that agency heads may not delegate affirmative action duties; amending Minnesota Statutes 1990, section 43A.191, subdivision 1.

Referred to the Committee on Governmental Operations.

Mr. Hughes introduced—

S.F. No. 2293: A bill for an act relating to local government; prohibiting publication of pictures of officials in county and city publications; amending Minnesota Statutes 1990, section 471.68, by adding a subdivision.

Referred to the Committee on Local Government.

Ms. Pappas, Messrs. Pogemiller, Marty, Ms. Ranum and Mr. Knaak introduced—

S.F. No. 2294: A bill for an act relating to education; authorizing a capital expenditure levy for certain installment contracts and lease purchases; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Ms. Pappas, Messrs. Kelly, Marty, Cohen and Knaak introduced—

S.F. No. 2295: A bill for an act relating to education; creating a literacy center; authorizing the sale of bonds; appropriating money.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 2296: A bill for an act relating to unemployment compensation; permitting certain employees of educational institutions to receive benefits between academic years and terms; amending Minnesota Statutes 1991 Supplement, section 268.08, subdivision 6.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 2297: A bill for an act relating to Aitkin county; directing an exchange of certain tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Messrs. Price; Morse; Frederickson, D.R. and DeCramer introduced—

S.F. No. 2298: A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; eliminating the requirement that metropolitan counties must appoint watershed district managers from lists of nominees submitted by towns and municipalities; making local governments subject to watershed district permit fees; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of

attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.345, subdivision 3; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse; Benson, D.D. and Lessard introduced—

S.F. No. 2299: A bill for an act relating to state trails; providing for the establishment of the Blufflands Trail System; amending Minnesota Statutes 1990, section 85.015, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse; Johnson, D.J.; Stumpf; Bertram and Sams introduced—

S.F. No. 2300: A bill for an act relating to appropriations; validating certain appropriations for volunteer firefighters' supplemental benefits; limiting appropriations; appropriating money; amending Minnesota Statutes 1990, section 424A.10, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Price, Morse, Mondale, Davis and Novak introduced—

S.F. No. 2301: A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Hottinger introduced—

S.F. No. 2302: A bill for an act relating to crime; increasing penalties for certain sex offenders; providing for life imprisonment for certain repeat sex offenders; increasing supervision of sex offenders following release from prison; eliminating the "good time" reduction in a prison sentence unless a sex offender satisfactorily completes a treatment program in prison; prohibiting the release of a prison inmate on a weekend or holiday; requiring review of sex offenders for psychopathic personality commitment before prison release; amending Minnesota Statutes 1990, sections 241.67, subdivision 3; 244.04, subdivision 1; 244.05, subdivisions 1, 3, 4, 5, and by adding a subdivision; 609.1352, subdivision 5, and by adding a subdivision; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 244.05, subdivision 6; and 244.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Messrs. Hottinger and Stumpf introduced—

S.F. No. 2303: A bill for an act relating to civil actions; including arbitration awards under the collateral source statute; amending Minnesota Statutes 1990, section 548.36, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Judiciary.

Mr. Hottinger, Mses. Traub and Pappas introduced—

S.F. No. 2304: A bill for an act relating to health; expanding children's health plan eligibility to include pregnant women; appropriating money; amending Minnesota Statutes 1990, section 256.936, subdivisions 1, 2, 3, and 4.

Referred to the Committee on Health and Human Services.

Mr. Hottinger, Ms. Pappas and Mr. Mondale introduced—

S.F. No. 2305: A bill for an act relating to education; deleting the provision denying section 125.12 protection to licensed community education instructors; amending Minnesota Statutes 1991 Supplement, section 125.032, subdivision 2.

Referred to the Committee on Education.

Messrs. Mehrkens, Langseth, Ms. Pappas, Mr. Belanger and Mrs. Adkins introduced—

S.F. No. 2306: A bill for an act relating to commerce; regulating motor vehicle manufacturer warranty adjustment programs; requiring certain notice of the programs by manufacturers; requiring disclosures by dealers; providing for reimbursement in certain cases; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Johnson, D.E. introduced—

S.F. No. 2307: A bill for an act relating to elections; changing deadlines for certain statutory cities to abolish the ward system; amending Minnesota Statutes 1990, section 412.023, subdivision 4.

Referred to the Committee on Elections and Ethics.

Mr. Johnson, D.E. introduced—

S.F. No. 2308: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Kandiyohi county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon, Metzen, Spear, Mrs. Adkins and Mr. Larson introduced—

S.F. No. 2309: A bill for an act relating to probate; altering the definition of successors; amending Minnesota Statutes 1990, sections 353A.02, subdivision 21; 524.1-201; 524.3-303; and 524.3-308.

Referred to the Committee on Judiciary.

Messrs. Price, Morse and DeCramer introduced—

S.F. No. 2310: A bill for an act relating to waters; changing the composition of the board of water and soil resource's dispute resolution committee;

amending Minnesota Statutes 1990, section 103B.101, subdivision 10.

Referred to the Committee on Environment and Natural Resources.

Messrs. Price, Morse and DeCramer introduced—

S.F. No. 2311: A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Riveness, Mrs. Adkins, Messrs. Mondale, Bertram and Hottinger introduced—

S.F. No. 2312: A bill for an act relating to lawful gambling; taxes; exempting lawful gambling profits from the unrelated business income tax; amending Minnesota Statutes 1991 Supplement, section 290.05, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Lessard; Moe, R.D.; Mondale and Laidig introduced—

S.F. No. 2313: A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Referred to the Committee on Commerce.

Messrs. Kroening and Pogemiller introduced—

S.F. No. 2314: A bill for an act relating to cities; requiring an equitable distribution of state and local funds in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.203, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Novak, Dahl, Merriam, Frank and Luther introduced—

S.F. No. 2315: A bill for an act relating to intoxicating liquor; authorizing Blaine to issue an on-sale license for the National Sports Center.

Referred to the Committee on Commerce.

Ms. Johnson, J.B. introduced—

S.F. No. 2316: A bill for an act relating to drivers' licenses; abolishing requirements to surrender driver's license under certain circumstances; amending Minnesota Statutes 1990, sections 169.121, subdivision 7; 169.123, subdivision 5a; 171.11; and 171.22, subdivision 1; Minnesota Statutes 1991 Supplement, section 171.02, subdivision 1; repealing Minnesota Statutes 1990, section 171.20, subdivision 1.

Referred to the Committee on Transportation.

Mrs. Pariseau introduced—

S.F. No. 2317: A bill for an act relating to education; authorizing a fund transfer for independent school district No. 195, Randolph.

Referred to the Committee on Education.

Mrs. Pariseau, Messrs. Dicklich, Dahl and Ms. Olson introduced—

S.F. No. 2318: A bill for an act relating to education; entitling the PER report the "Annual Report on Curriculum and Student Performances"; including in the PER report information about curriculum advisory committee membership; amending Minnesota Statutes 1990, section 126.666, subdivision 4.

Referred to the Committee on Education.

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

S.F. No. 2319: A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242, subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

Referred to the Committee on Environment and Natural Resources.

Ms. Ranum, Mr. Finn, Ms. Reichgott and Mr. Vickerman introduced—

S.F. No. 2320: A bill for an act relating to utilities; requiring more efficient customer service by telephone companies; requiring companies to honor a request for tracing calls made to a household that has received harassing calls; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Energy and Public Utilities.

Mr. Bertram introduced—

S.F. No. 2321: A bill for an act relating to agriculture; modifying license fees for certain food handlers; amending Minnesota Statutes 1991 Supplement, section 28A.08.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Bertram, Beckman and Mrs. Adkins introduced—

S.F. No. 2322: A bill for an act relating to veterans; establishing a grant program to enhance the operations of county veterans service offices; establishing an education program for county veterans service officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Veterans and General Legislation.

Messrs. Cohen, Kelly, Waldorf and Ms. Pappas introduced—

S.F. No. 2323: A bill for an act relating to cultural resources; reorganizing the nature of a Saint Paul tourism and cultural district; appropriating money.

Referred to the Committee on Economic Development and Housing.

Messrs. Samuelson, Dicklich and Johnson, D.J. introduced—

S.F. No. 2324: A bill for an act relating to recreation; establishing a Cuyuna country state recreation area; establishing a new unit in the outdoor recreation system; appropriating money; amending Minnesota Statutes 1990, sections 86A.04; 86A.05, subdivisions 2 and 3; and 86A.08, subdivision 1; Minnesota Statutes 1991 Supplement, section 85.045, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

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

S.F. No. 2325: A bill for an act relating to human services; requiring the commissioner to recalculate hospital payment rates using 1991 as the base year.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich, Dahl, Ms. Olson, Mr. Mehrkens and Ms. Traub introduced—

S.F. No. 2326: A bill for an act relating to education; making technical changes on programs administered by the department of education; amending Minnesota Statutes 1990, sections 121.935, by adding a subdivision; 123.35, by adding a subdivision; 124A.22, by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2; and 275.125, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 120.17, subdivision 7a; 124.155, subdivision 2; 124.19, subdivision 1; 124.2727, subdivision 6; 124A.03, subdivision 2; 124A.23, subdivision 4; and 124A.24; Laws 1991, chapter 265, articles 7, section 37, subdivision 6; and 9, section 76; repealing Minnesota Statutes 1990, section 124A.23, subdivision 2a; Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; 123.35, subdivision 19; and 124.646, subdivision 2; Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; and 6, section 60.

Referred to the Committee on Education.

Ms. Piper, Messrs. Samuelson, Hottinger, Merriam and Benson, D.D. introduced—

S.F. No. 2327: A bill for an act relating to health care; establishing a premium assistance program; requiring health care coverage; authorizing a small employer health benefit plan; restricting underwriting and premium rating practices; establishing a small employer reinsurance association; establishing minimum standards for individual health insurance policies; requiring the commissioner of health to establish a health care analysis unit, a rural health advisory committee, a technology assessment committee, an administrative efficiencies task force, a data commission, a tort reform committee, and a cost containment advisory committee; providing for rural

health initiatives; establishing an office of rural health; providing a state income tax deduction for certain health insurance costs; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 62E.04, subdivision 1; 62E.14, by adding subdivisions; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1, 3, and 4; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62A; 136A; and 144; proposing coding for new law as Minnesota Statutes, chapters 62K; and 62L.

Referred to the Committee on Health and Human Services.

Mr. Frank introduced—

S.F. No. 2328: A bill for an act relating to drivers' licenses; eliminating requirement for drivers of special transportation vehicles to take examination for license endorsement; making technical changes; amending Minnesota Statutes 1991 Supplement, sections 171.01, subdivision 24; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.323, subdivisions 1 and 3.

Referred to the Committee on Transportation.

Mr. Beckman introduced—

S.F. No. 2329: A bill for an act relating to farm safety; providing flexibility in spending an appropriation; amending Laws 1991, chapter 254, article 1, section 7, subdivision 5.

Referred to the Committee on Agriculture and Rural Development.

Ms. Traub introduced—

S.F. No. 2330: A bill for an act relating to retirement; volunteer fire-fighters; permitting the payment of ancillary benefits to or on behalf of retired members under certain circumstances; amending Minnesota Statutes 1990, section 424A.02, subdivision 9.

Referred to the Committee on Governmental Operations.

Mr. Sams introduced—

S.F. No. 2331: A bill for an act relating to education; requiring biennial certification in safety training for school bus drivers; amending Minnesota Statutes 1991 Supplement, section 169.446, subdivision 3.

Referred to the Committee on Education.

Messrs. Frank and Novak introduced—

S.F. No. 2332: A bill for an act relating to certain cities; authorizing the cities of Fridley, Mounds View, New Brighton, and Spring Lake Park to participate in the establishment and operation of senior citizen centers and related facilities; authorizing the issuance of bonds; authorizing tax levies.

Referred to the Committee on Local Government.

Mr. Hottinger introduced—

S.F. No. 2333: A bill for an act relating to education; providing for nonlicensed employees in dissolution and consolidation situations; amending Minnesota Statutes 1990, sections 122.22, subdivision 20; 122.242, subdivision 5; 122.245, subdivision 2; Minnesota Statutes 1991 Supplement, section 122.23, subdivision 18; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Mr. Hottinger, Mses. Traub; Johnson, J.B.; Mr. Johnson, D.E. and Ms. Pappas introduced—

S.F. No. 2334: A bill for an act relating to child care; extending the prohibition on smoking to family day care providers; updating the reference to the rule governing child care centers; amending Minnesota Statutes 1990, section 144.414, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Davis; Johnson, D.J.; Metzen; Beckman and Bernhagen introduced—

S.F. No. 2335: A bill for an act relating to tax increment financing; authorizing the establishment of manufacturing districts; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.

Mr. Chmielewski introduced—

S.F. No. 2336: A bill for an act relating to employment; providing that certain conduct by employers against employees for engaging in lawful activities during nonworking hours is an unfair labor practice; amending Minnesota Statutes 1991 Supplement, sections 179.12; and 179A.13, subdivision 2.

Referred to the Committee on Employment.

Mses. Flynn; Johnson, J.B.; Berglin; Mr. Benson, D.D. and Ms. Piper introduced—

S.F. No. 2337: A bill for an act relating to human services; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivision 19a; and 256B.0627, subdivisions 5 and 6.

Referred to the Committee on Health and Human Services.

Ms. Pappas introduced—

S.F. No. 2338: A bill for an act relating to commerce; imposing health regulations for tanning facilities; requiring licenses; providing exemptions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2339: A bill for an act relating to elections; suspending certain provisions relating to campaign contributions and public subsidies as they relate to major political parties; requiring major political parties to certify their compliance with apportionment and delegate selection requirements; proposing coding for new law in Minnesota Statutes, chapter 10A.

Referred to the Committee on Elections and Ethics.

Messrs. Dicklich, Pogemiller, Beckman, Mondale and Ms. Olson introduced—

S.F. No. 2340: A bill for an act relating to education; clarifying permitted uses of staff development revenue; amending Minnesota Statutes 1991 Supplement, sections 124A.29, subdivision 1; and 126.70.

Referred to the Committee on Education.

Mr. Renneke introduced—

S.F. No. 2341: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for the Chaska flood control project.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 2342: A bill for an act relating to human services; providing a statewide caregiver support and respite care project; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2343: A bill for an act relating to health; expanding conditions of eligibility for licensing hospital swing beds; amending Minnesota Statutes 1990, section 144.562, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Lessard, Merriam and Morse introduced—

S.F. No. 2344: A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections 103F.365, subdivision 1, and by adding a subdivision; 103F.369, subdivision 1; and 103F.371; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Pappas, Messrs. DeCramer, Knaak and Beckman introduced—

S.F. No. 2345: A bill for an act relating to education; establishing a metropolitan regional library depository facility at the University of Minnesota; authorizing bonds; appropriating money.

Referred to the Committee on Education.

Mr. Kelly introduced—

S.F. No. 2346: A bill for an act relating to retirement; the public employees retirement association; restoring certain survivor benefits; amending Laws 1991, chapter 269, article 2, section 13.

Referred to the Committee on Governmental Operations.

Mr. Moe, R.D. introduced—

S.F. No. 2347: A bill for an act relating to the Wild Rice Watershed District; setting the size of its administrative fund and levy.

Referred to the Committee on Environment and Natural Resources.

Ms. Johnson, J.B.; Mr. Mondale, Ms. Pappas and Mr. Beckman introduced—

S.F. No. 2348: A bill for an act relating to crimes; prohibiting release of inmates on holidays and weekends; requiring the establishment of certified sex offender treatment programs in correctional facilities; providing for the establishment of a chemical dependency treatment program in all correctional facilities; prohibiting good time for offenders who fail to complete court-ordered chemical dependency treatment; establishing a probation standards task force; requiring courts to make findings when recommended drug treatment is not ordered; amending Minnesota Statutes 1990, section 241.67, subdivision 3; 242.195, subdivision 2; and 244.04, subdivision 1; Minnesota Statutes 1991 Supplement, section 609.115, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 241.

Referred to the Committee on Judiciary.

Ms. Johnson, J.B.; Messrs. Moe, R.D.; Johnson, D.J.; Morse and Novak introduced—

S.F. No. 2349: A bill for an act relating to energy; providing incentives for the use of renewable energy sources; providing tax exemptions for photovoltaic devices; amending Minnesota Statutes 1990, sections 216C.06, by adding a subdivision; and 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1.

Referred to the Committee on Energy and Public Utilities.

Ms. Johnson, J.B. and Mr. Beckman introduced—

S.F. No. 2350: A bill for an act relating to housing; providing for an emergency mortgage and rental assistance pilot project; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 2351: A bill for an act relating to human services; providing for a pilot project for an improved mental health services delivery system to include certain counties for adults with serious and persistent mental illness; appropriating money.

Referred to the Committee on Health and Human Services.

Ms. Piper introduced—

S.F. No. 2352: A bill for an act relating to retirement; local police and salaried firefighter relief associations; authorizing a local option in interest and salary increase actuarial assumptions; amending Minnesota Statutes 1991 Supplement, section 356.215, subdivisions 4d and 7.

Referred to the Committee on Governmental Operations.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. DeCramer moved that S.F. No. 2290 be withdrawn from the Committee on Finance and returned to its author. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:30 p.m., Thursday, March 5, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-THIRD DAY

St. Paul, Minnesota, Thursday, March 5, 1992

The Senate met at 1:30 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Eugene W. Tiffany.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Frederickson, D.J. and Pogemiller were excused from the Session of today.

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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1917: A bill for an act relating to the state board of investment; management of funds under board control; authorizing certain investments by the board; amending Minnesota Statutes 1990, sections 11A.04; 11A.14,

subdivision 2; 11A.16, subdivision 5; 11A.17, subdivisions 1, 4, 9, 14, and by adding a subdivision; 11A.18, subdivision 11; 116P.11; 352D.04, subdivision 1; 352D.09, subdivision 7; 354B.04, by adding a subdivision; and 354B.05, subdivision 3; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 353D.05, subdivisions 2 and 3; and 354B.07, subdivision 2.

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

Pages 1 to 3, delete section 1

Page 4, line 36, delete "*specified in section 11A.24*"

Page 5, lines 17 and 31, after "*to*" insert "*one-twelfth of an annual charge equal to*"

Page 8, line 1, after "*of*" insert "*this*"

Page 8, line 2, delete "*11A.24*"

Page 13, delete section 16

Page 14, line 19, delete "*18*" and insert "*16*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "*11A.04;*"

Page 1, line 9, delete "*354B.04, by adding a subdivision;*"

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

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

H.F. No. 1132: 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.

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 97A.421, subdivision 4, is amended to read:

Subd. 4. [ISSUANCE AFTER INTOXICATION OR NARCOTICS CONVICTION.] *If a person is convicted of a violation under section 97B.065, relating to hunting while intoxicated or using narcotics, may not obtain the court may prohibit the person from obtaining a license to hunt with a firearm or by archery for up to five years after conviction.*"

Page 1, line 22, delete "*No*" and insert "*An*"

Page 1, line 23, delete "*shall*" and insert "*may not*"

Page 2, line 2, delete everything after the headnote

Page 2, delete line 3 and insert "*A peace officer may*"

Page 2, line 18, delete "*shall*" and insert "*must*"

Page 2, lines 20, 22, 24, and 25, delete "2" and insert "3"

Page 3, line 11, delete "2" and insert "3"

Page 3, delete lines 18 to 24

Page 4, line 28, delete "*of*" and insert "*or*"

Page 6, after line 5, insert:

"Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1992, and apply to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections 97A.421, subdivision 4; and"

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

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

S.F. No. 1858: A bill for an act relating to waste management; requiring recycling of fluorescent lamps in state buildings; amending Minnesota Statutes 1990, section 16B.24, by adding a subdivision.

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

Page 1, line 13, after "*recycled*" insert "*if recycling facilities are available in this state*"

Page 1, line 17, after "*environment*" insert "*to the maximum extent possible*"

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. 2101: A bill for an act relating to state parks; authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1109: A bill for an act relating to commerce; requiring additional license for motor vehicle lessor, wholesaler, or auctioneer when establishing additional place of doing business in a second class city outside of the

metropolitan area; amending Minnesota Statutes 1990, section 168.27, subdivision 10.

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

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

S.F. No. 2068: A bill for an act relating to appropriations; appropriating money for the purchase of certain land of historical value in Goodhue county.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1803: A bill for an act relating to cemeteries; providing for burials in the winter season; proposing coding for new law in Minnesota Statutes, chapter 306.

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

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

S.F. No. 1933: A bill for an act relating to waste management; adding provisions relating to permit fees for solid waste facilities; authorizing rulemaking; amending Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d.

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

Page 4, line 1, delete "EMERGENCY" and delete "OF PERMANENT"

Page 4, line 2, delete "RULES"

Page 4, line 3, delete the first comma and insert "*adopt rules*"

Page 4, line 4, delete "*adopt emergency rules*" and insert "*for*"

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. 1969: A bill for an act relating to children; providing juvenile crime prevention funding for head start programs; authorizing a grant to a statewide parent self-help child abuse prevention organization; appropriating money; amending Minnesota Statutes 1991 Supplement, section 268.914, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2020: A bill for an act relating to health; authorizing grants for a home health visiting program designed to prevent abuse and neglect of children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which were referred the following appointments as reported in the Journal for February 24, 1992:

BOARD OF ANIMAL HEALTH

Patty Christensen
Russell John Wirt

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

S.F. No. 2030: A bill for an act relating to energy; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired heating plants in low-income households.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115C.08, subdivision 3, is amended to read:

Subd. 3. [PETROLEUM TANK RELEASE CLEANUP FEE.] A petroleum tank release cleanup fee is imposed on the use of tanks that contain petroleum products ~~subject to the inspection fee charged in section 239.78. The fee must be collected in the manner provided in sections 239.78 and 296.14 defined in section 296.01. On products other than gasoline, the fee must be paid in the manner provided in section 296.14 by the first licensed distributor receiving the product in Minnesota, as defined in section 296.01.~~ The fee must be imposed as required under subdivision 3, at a rate of \$10 per 1,000 gallons of petroleum products ~~as defined in section 296.01, subdivision 2,~~ rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15.

Sec. 2. [116.492] [BASEMENT STORAGE TANKS; REMOVAL.]

A person who removes a basement heating oil storage tank shall ensure that fill and vent pipes through the basement wall to the outside are also removed or sealed.

Sec. 3. Minnesota Statutes 1991 Supplement, section 239.78, is amended

to read:

239.78 [INSPECTION FEES.]

A person who owns petroleum products held in storage at a pipeline terminal, river terminal, or refinery shall pay an inspection fee of 75 85 cents for every 1,000 gallons sold or withdrawn from the terminal or refinery storage. The revenue from the fee must cover the amounts appropriated for petroleum product quality inspection expenses, for the inspection and testing of petroleum product measuring devices as required by this chapter, and for petroleum supply monitoring under chapter 216C.

The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report in a manner approved by the department. The commissioner of revenue may collect the inspection fees along with any taxes due under chapter 296.

Sec. 4. [239.785] [PROPANE SALES.]

The operator of a terminal that sells propane for resale to retail customers in this state shall pay a fee equal to one mill for each gallon of propane sold by the terminal. The fee must be remitted monthly to the commissioner of public service.

Sec. 5. [APPROPRIATION.]

Of the revenue received from the increase in the petroleum product inspection fee under Laws 1991, chapter 235, article 1, section 6, \$750,000 is appropriated from the general fund to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, to be available until June 30, 1993, for programs administered by the commissioner of public service or other state agency to improve the energy efficiency of residential oil-fired heating plants in low-income households.

Sec. 6. [APPROPRIATION.]

Of the revenue received under section 4, \$350,000 is appropriated from the general fund to the energy and conservation account established by Minnesota Statutes, section 216B.241, subdivision 2a, to be available until June 30, 1993, for low income energy assistance programs serving residential propane customers who use propane as their heating fuel."

Delete the title and insert:

"A bill for an act relating to energy; prescribing the method of payment of petroleum tank release cleanup fees; requiring persons who remove basement heating oil storage tanks to remove fill and vent pipes to the outside; changing the inspection fee for petroleum products; imposing a fee on sales of propane; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired heating plants in low-income households; amending Minnesota Statutes 1990, section 115C.08, subdivision 3; and Minnesota Statutes 1991 Supplement, section 239.78; proposing coding for new law in Minnesota Statutes, chapters 116 and 239."

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. 1958: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for lake level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1990, sections 103G.101, subdivision 1; 103G.261; 103G.271, by adding subdivisions; 103G.281, subdivisions 2 and 3; 103G.285, subdivision 1; 115.03, subdivision 1; 473.175, subdivision 1; 473.851; 473.858, by adding a subdivision; and 473.859, subdivisions 3, 4, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1; repealing Minnesota Statutes 1990, section 103G.285, subdivision 6.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 103G.101, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT.] The commissioner shall develop a water resources conservation program for the state. The program must include conservation, allocation, and development of waters of the state for the best interests of the people, *and must include criteria for a deficiency declaration by the governor under section 103G.291, subdivision 1.*

Sec. 2. Minnesota Statutes 1990, section 103G.261, is amended to read:

103G.261 [WATER ALLOCATION PRIORITIES.]

(a) The commissioner shall adopt rules for allocation of waters based on the following priorities for the consumptive appropriation and use of water:

(1) first priority, domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets the contingency planning provisions of section 103G.285, subdivision 6;

(2) second priority, a use of water that involves consumption of less than 10,000 gallons of water per day;

(3) third priority, agricultural irrigation, and processing of agricultural products involving consumption in excess of 10,000 gallons per day;

(4) fourth priority, power production in excess of the use provided for in the contingency plan developed under section 103G.285, subdivision 6; and

(5) fifth priority: uses, other than agricultural irrigation, processing of agricultural products, and power production, involving consumption in excess of 10,000 gallons per day and nonessential uses of public water supplies as defined in section 103G.291.

(b) For the purposes of this section, “consumption” means water withdrawn from a supply that is lost for immediate further use in the area.

(c) Appropriation and use of surface water from streams during periods

of flood flows and high water levels must be encouraged subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.

(d) Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.

(e) The treatment and reuse of water for nonconsumptive uses shall be ~~discouraged~~ encouraged.

(f) Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.

Sec. 3. Minnesota Statutes 1990, section 103G.271, is amended by adding a subdivision to read:

Subd. 5a. [PROHIBITION OF USE OF GROUNDWATER FOR MAINTENANCE OF SURFACE WATER LEVELS.] The commissioner shall revoke all existing permits and shall issue no new permits for the appropriation or use of groundwater in excess of 5,000,000 gallons per year primarily to maintain or increase surface water levels in the metropolitan area and other areas of concern as determined by the commissioner.

Sec. 4. Minnesota Statutes 1990, section 103G.271, is amended by adding a subdivision to read:

Subd. 8. [PERMIT REVIEW.] The commissioner shall:

(1) adopt procedures for review, by January 1, 1998, of each metropolitan area municipal permit existing on August 1, 1992, after which the permit may be modified by the commissioner to conform with sections 103G.255 to 103G.297;

(2) establish a schedule that provides for review of all permits at least once every ten years, including review of contingency plans required under subdivision 9;

(3) adopt procedures for submission to and review by the metropolitan council of municipal public water supply permits and applications in the metropolitan area for conformance with local water supply plans adopted under section 473.859, subdivision 3, clause (4);

(4) develop and implement a plan for establishing water conservation measures applicable to all permits; and

(5) adopt procedures for review of proposed new or rehabilitated metropolitan area municipal wells before approval by the commissioner of health under section 144.383, paragraph (a).

Sec. 5. Minnesota Statutes 1990, section 103G.271, is amended by adding a subdivision to read:

Subd. 9. [CONTINGENCY PLANNING.] Applicants for permits and holders of existing permits must submit contingency plans that describe the alternatives the applicant or permittee will use if further appropriation is restricted due to the flow of the stream, the level of a waterbasin, source contamination, or fluctuation in groundwater levels. If the commissioner determines that implementation of the contingency plan is not feasible, a permit may not be issued or must be modified.

Sec. 6. Minnesota Statutes 1990, section 103G.281, subdivision 3, is amended to read:

Subd. 3. [REPORT.] (a) Records of the amount of water appropriated or used must be kept for each installation. *For municipal permittees, the records must separately detail the domestic, industrial, commercial, irrigation, and institutional components of water appropriated or used.* The readings and ~~the total amount of water appropriated~~ records must be reported annually to the commissioner on or before February 15 of the following year on forms provided by the commissioner.

(b) The *readings and* records must be submitted with the annual water use permit processing fee in section 103G.271.

Sec. 7. Minnesota Statutes 1990, section 103G.281, is amended by adding a subdivision to read:

Subd. 4. [FLOW METERS.] A municipal public water supply permittee in the metropolitan area must ensure that flow meters are installed by January 1, 1995, to measure the quantity of water used by each customer.

Sec. 8. Minnesota Statutes 1990, section 115.03, subdivision 1, is amended to read:

Subdivision 1. The agency is hereby given and charged with the following powers and duties:

(a) To administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) To investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) To establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) To encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) To adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities;

(1) Requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) Prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) Prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) Requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) Establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) Establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) Requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) Notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement

of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 5, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) Modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants; and

(10) Requiring that applicants for water discharge permits evaluate in their applications the potential reuses of the discharged water, including reuse as potable water;

(f) To require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) To prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) To conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) For the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste

treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) To train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. All such fees received shall be paid into the state treasury and credited to the pollution control agency training account;

(k) To impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) To set a period not to exceed five years for the duration of any National Pollutant Discharge Elimination System permit;

(m) To require a governmental subdivision that owns or operates a wastewater disposal system to have a plan to address its ability to pay the costs of making major repairs to the existing system and planning and constructing an adequate replacement system at the end of the existing system's expected useful life; and

(n) To train individual sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate individual sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

Sec. 9. Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1, is amended to read:

Subdivision 1. [PLAN COMPONENTS.] The metropolitan council shall develop a short-term and long-term plan for existing and expected water use and supply in the metropolitan area. The plan shall be submitted to and reviewed by the commissioner of natural resources for consistency with the statewide drought plan under section 103G.293. At a minimum, the plans must:

(1) *routinely* update the data and information on water supply and use within the metropolitan area *and develop a water use and availability database*;

(2) *develop regional groundwater and surface water models, and demand forecasts for resource evaluation*;

(3) *identify and evaluate* alternative courses of action, including *baseline* water conservation initiatives and economic alternatives, *and evaluate alternative water supplies inside and outside the metropolitan area, including the Mississippi headwaters*, in case of drought or *contamination* conditions; *and*

~~(3)~~ (4) *recommend long-term approaches to resolving* problems that may develop because of water use and supply with consideration given to problems that occur outside of the metropolitan area, but which have an effect

within the area; and

(4) ~~be consistent with the statewide drought plan under section 103G.293.~~

Sec. 10. Minnesota Statutes 1990, section 473.175, subdivision 1, is amended to read:

Subdivision 1. The council shall review the comprehensive plans of local governmental units and the capital improvement programs of school districts, prepared and submitted pursuant to Laws 1976, chapter 127, sections 1 to 23, to determine their compatibility with each other and conformity with metropolitan system plans. The council shall review and comment on the apparent consistency of the comprehensive plans and capital improvement programs with ~~other adopted chapters plans of the metropolitan development guide council.~~ The council may require a local governmental unit to modify any comprehensive plan or part thereof which may have a substantial impact on or contain a substantial departure from metropolitan system plans.

Sec. 11. Minnesota Statutes 1990, section 473.851, is amended to read:

473.851 [LEGISLATIVE FINDINGS AND PURPOSE.]

The legislature finds and declares that the local governmental units within the metropolitan area are interdependent, that the growth and patterns of urbanization within the area create the need for additional state, metropolitan and local public services and facilities and increase the danger of air and water pollution *and water shortages*, and that developments in one local governmental unit may affect the provision of regional capital improvements for sewers, transportation, airports, *water supply*, and regional recreation open space. Since problems of urbanization and development transcend local governmental boundaries, there is a need for the adoption of coordinated plans, programs and controls by all local governmental units and school districts in order to protect the health, safety and welfare of the residents of the metropolitan area and to ensure coordinated, orderly and economic development. Therefore, it is the purpose of sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871 to (1) establish requirements and procedures to accomplish comprehensive local planning with land use controls consistent with planned, orderly and staged development and the metropolitan system plans, and (2) to provide assistance to local governmental units and school districts within the metropolitan area for the preparation of plans and official controls appropriate for their areas and consistent with metropolitan system plans.

Sec. 12. Minnesota Statutes 1990, section 473.858, is amended by adding a subdivision to read:

Subd. 2a. [SUBMISSION TO COUNTY.] Before submission of proposed plans to the council, local governmental units that use groundwater for all or part of their water supply shall submit the plans to the counties in which they are located if the counties have adopted groundwater plans under section 103B.255. The counties must review the plans within three months of their submission to the counties.

Sec. 13. Minnesota Statutes 1990, section 473.859, subdivision 3, is amended to read:

Subd. 3. [PUBLIC FACILITIES PLAN.] A public facilities plan shall describe the character, location, timing, sequence, function, use and capacity of existing and future public facilities of the local governmental unit.

A public facilities plan must be in at least such detail as may be necessary to establish existing or potential effects on or departures from metropolitan system plans and to protect metropolitan system plans. A public facilities plan shall contain at least the following parts:

(a) (1) a transportation plan describing, designating and scheduling the location, extent, function and capacity of existing and proposed local public and private transportation services and facilities;

(b) (2) a sewer policy plan describing, designating and scheduling the areas to be sewered by the public system, the existing and planned capacities of the public system, the standards and conditions under which the installation of private sewer systems will be permitted, and to the extent practicable, the areas not suitable for public or private systems because of public health, safety and welfare considerations;

(c) (3) a parks and open space plan describing, designating and scheduling the existing and proposed parks and recreation open spaces within the jurisdiction; and

(4) a water supply plan including:

(i) description of the existing water supply system, including the source of water, well, and treatment plant locations and major supply lines; an inventory of commercial and industrial users; an indication of the community's intent to make future changes or additions to the system, including projections for population and industrial and commercial use and the methods by which this growth will be served;

(ii) a statement of the community's objectives, policies, and standards for operating the water supply system;

(iii) a conservation program that contains the goals of the program, demand and supply conservation techniques to be used, a program for meter installation and reading if neither exists, an evaluation of pricing methods that could be used to reduce demand, the conditions under which conservation actions would occur, a process for reducing nonessential uses according to the priority system under section 103G.261, and the education program that will be used to inform the public of the need to conserve and the methods available to achieve conservation;

(iv) an emergency preparedness or contingency plan, as described in section 103G.271, subdivision 9;

(v) an indication of the possibility for joint efforts with neighboring communities or other public entities to share water sources and treatment, interconnection for routine or emergency supply, pursuit of alternative supplies, and water source protection;

(vi) a statement of the water supply problems that the community experiences or expects to experience, and any proposed solutions, especially those that would impact other communities or the region; and

(vii) for those communities served by groundwater, a wellhead protection plan prepared in accordance with rules adopted under section 103I.101.

Sec. 14. Minnesota Statutes 1990, section 473.859, subdivision 4, is amended to read:

Subd. 4. [IMPLEMENTATION PROGRAM.] An implementation program shall describe public programs, fiscal devices and other specific actions

to be undertaken in stated sequence to implement the comprehensive plan and ensure conformity with metropolitan system plans. An implementation program must be in at least such detail as may be necessary to establish existing or potential effects on or departures from metropolitan system plans and to protect metropolitan system plans. An implementation program shall contain at least the following parts:

(a) A description of official controls, addressing at least the matters of zoning, subdivision, *water supply*, and private sewer systems, and a schedule for the preparation, adoption, and administration of such controls.

(b) A capital improvement program for transportation, sewers, parks, *water supply*, and open space facilities.

(c) A housing implementation program, including official controls to implement the housing element of the land use plan, which will provide sufficient existing and new housing to meet the local unit's share of the metropolitan area need for low and moderate income housing.

Sec. 15. Minnesota Statutes 1990, section 473.859, is amended by adding a subdivision to read:

Subd. 6. [PLAN REVIEW.] The council shall prepare guidelines for the preparation of the plans by January 1, 1993. The plans must be submitted to the council by January 1, 1995. The council shall review the plans under section 473.175, subdivision 1.

Sec. 16. [REPORTS TO LEGISLATURE.]

(a) The commissioner of the pollution control agency and the commissioner of natural resources shall jointly prepare an emergency and drought response program for the Mississippi river and shall report to the appropriate committees and commissions of the legislature by January 1, 1995. The program must address accidental spills, installation of a contaminant detection system, implementation of emergency response and cleanup measures, and cooperation of jurisdictions affecting and affected by the river.

(b) The metropolitan council and appropriate state agencies shall report to the appropriate committees and commissions of the legislature by March 1, 1995, on the effectiveness of sections 1 to 15 and shall propose methods of further financing and implementation.

Sec. 17. [APPLICATION.]

Sections 9 to 15 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 18. [APPROPRIATION.]

(a) \$ is appropriated from the general fund to the commissioner of the pollution control agency and \$ is appropriated to the commissioner of the department of natural resources for the purposes of sections 1 to 16 to be available for the biennium ending June 30, 1993. The complement of the pollution control agency is increased by and the complement of the department of natural resources is increased by

(b) \$1,000,000 is appropriated from the general fund to the metropolitan council for the purposes of sections 1 to 16."

Delete the title and insert:

"A bill for an act relating to water; requiring criteria for water deficiency

declarations; prohibiting the use of groundwater for surface water level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1990, sections 103G.101, subdivision 1; 103G.261; 103G.271, by adding subdivisions; 103G.281, subdivision 3, and by adding a subdivision; 115.03, subdivision 1; 473.175, subdivision 1; 473.851; 473.858, by adding a subdivision; and 473.859, subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 473.156, subdivision 1.”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1917, 1109 and 1803 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 738. The motion prevailed.

Mr. Johnson, D.J. moved that his name be stricken as a co-author to S.F. No. 1434. The motion prevailed.

Mr. Spear moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1591. The motion prevailed.

Mr. Neville moved that his name be stricken as a co-author to S.F. No. 1745. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 1782. The motion prevailed.

Mr. Novak moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1830. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 2101. The motion prevailed.

Mr. Solon moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 2173. The motion prevailed.

Mr. Vickerman moved that the name of Mr. Larson be added as a co-author to S.F. No. 2277. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Frank be added as a co-author to S.F. No. 2302. The motion prevailed.

Mr. Stumpf introduced—

Senate Resolution No. 118: A Senate resolution honoring Donald L. Olson on his induction into the Minnesota High School Hockey Coaches Hall of Fame.

Referred to the Committee on Rules and Administration.

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

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. Vickerman; DeCramer; Langseth; Johnson, D.E. and Mehrkens introduced—

S.F. No. 2353: A bill for an act relating to towns; authorizing town boards to disclaim and extinguish a town interest in abandoned town roads; amending Minnesota Statutes 1990, section 164.06.

Referred to the Committee on Transportation.

Mr. Marty introduced—

S.F. No. 2354: A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

Referred to the Committee on Governmental Operations.

Messrs. Solon; Johnson, D.J.; Gustafson; Lessard and Chmielewski introduced—

S.F. No. 2355: A bill for an act relating to taxation; providing a reduced class rate for recycling facilities; exempting the sales of construction materials used in recycling facilities; amending Minnesota Statutes 1990, sections 297A.15, subdivision 5; and 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Ms. Flynn, Messrs. DeCramer, Belanger, Novak and Ms. Ranum introduced—

S.F. No. 2356: A bill for an act relating to transportation; amending the definition of highway; defining highway purposes; giving priority to certain highway projects in the metropolitan area; increasing the motor fuel tax; amending Minnesota Statutes 1990, sections 160.02, subdivision 7; 174.03, by adding a subdivision; and 296.02, subdivision 1b; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Mr. Merriam introduced—

S.F. No. 2357: A bill for an act relating to juveniles; clarifying provisions relating to probation orders in delinquency cases; amending Minnesota Statutes 1990, section 260.185, subdivision 4.

Referred to the Committee on Judiciary.

Messrs. Merriam and Berg introduced—

S.F. No. 2358: A bill for an act relating to the state lottery; abolishing the authority of the state lottery board to authorize additional compensation for the director of the state lottery; repealing Minnesota Statutes 1990, section 349A.03, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.E. introduced—

S.F. No. 2359: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for a trail.

Referred to the Committee on Environment and Natural Resources.

Mr. Johnson, D.E. introduced—

S.F. No. 2360: A bill for an act relating to highways; directing the commissioner of transportation to construct a travel information center on marked trunk highway No. 71 near Willmar; requiring private and local funds to be contributed before construction; authorizing the sale of \$400,000 in trunk highway bonds; appropriating money.

Referred to the Committee on Transportation.

Mmes. Pariseau; Benson, J.E.; Messrs. Hottinger and Larson introduced—

S.F. No. 2361: A bill for an act relating to education; permitting a student to sign a waiver to attend a non-HECB registered school; amending Minnesota Statutes 1990, section 136A.63.

Referred to the Committee on Education.

Ms. Pappas introduced—

S.F. No. 2362: A bill for an act relating to taxation; providing a tax credit for loan of private industry employees to state departments and agencies and political subdivisions of the state; appropriating money; amending Minnesota Statutes 1990, section 15.59; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2363: A bill for an act relating to education; increasing student membership on the higher education board; amending Minnesota Statutes 1991 Supplement, section 136E.01, subdivisions 1 and 2; and Laws 1991, chapter 356, article 9, section 8, subdivision 1.

Referred to the Committee on Education.

Messrs. Chmielewski and Laidig introduced—

S.F. No. 2364: A bill for an act relating to taxation; providing sales tax exemptions for certain sales of horses and charges for breeding horses; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 297A.01, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller, Ms. Ranum, Flynn, Mr. Kroening and Ms. Berglin introduced—

S.F. No. 2365: A bill for an act relating to education; modifying taxpayer notification meetings for certain bond sales; repealing Laws 1990, chapter 604, article 8, section 12.

Referred to the Committee on Education.

Ms. Ranum, Mr. Pogemiller, Ms. Pappas, Mrs. Brataas and Mr. Mondale introduced—

S.F. No. 2366: A bill for an act relating to education; modifying the funding formula for limited English proficiency programs; amending Minnesota Statutes 1990, section 124.273, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 124.273, subdivision 1b; 124.321, subdivisions 1 and 2.

Referred to the Committee on Education.

Messrs. Morse, Stumpf, Langseth, DeCramer and Mrs. Benson, J.E. introduced—

S.F. No. 2367: A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

Referred to the Committee on Governmental Operations.

Messrs. Finn, Cohen, Luther, Knaak and Ms. Reichgott introduced—

S.F. No. 2368: A bill for an act relating to probate; enacting the uniform transfer on death security registration act; providing for rights of creditors and revocation of beneficiary designation by will; proposing coding for new law in Minnesota Statutes, chapter 524.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 2369: A bill for an act relating to state lands; requiring a private conveyance of certain state land bordering public water.

Referred to the Committee on Environment and Natural Resources.

Messrs. Samuelson; Finn; Lessard; Johnson, D.J. and Gustafson introduced—

S.F. No. 2370: A bill for an act relating to taxation; property; providing for classification of resort property; amending Minnesota Statutes 1990, section 273.13, subdivision 24; Minnesota Statutes 1991 Supplement, section 273.13, subdivisions 22 and 25, as amended.

Referred to the Committee on Taxes and Tax Laws.

Mses. Johnson, J.B.; Pappas; Flynn; Piper and Ranum introduced—

S.F. No. 2371: A bill for an act relating to education; making home visits to prevent child abuse and neglect part of the early childhood family education program; authorizing grants for ECFE programs that serve at-risk families and communities of color; appropriating money; amending Minnesota Statutes 1990, section 121.882, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 121.882, subdivision 2.

Referred to the Committee on Education.

Mses. Piper, Traub and Mr. Renneke introduced—

S.F. No. 2372: A bill for an act relating to mental health services; requiring the commissioner of human services to prepare a plan to establish service goals and set policy objectives for a statewide community mental health system.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 2373: A bill for an act relating to no-fault automobile insurance; prohibiting denial of coverage due to an applicant's prior no-fault claims history; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 2374: A bill for an act relating to insurance; auto; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying related rights of insureds; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Referred to the Committee on Commerce.

Mr. Johnson, D.J. introduced—

S.F. No. 2375: A bill for an act relating to the city of Ely; permitting a local sales tax.

Referred to the Committee on Local Government.

Mr. Berg introduced—

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation; rules for stamp design contests; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; combining of licenses for private fish hatcheries and fish farms; salmon or trout possession; and muskie size limits; amending Minnesota Statutes 1990, sections 84.091, subdivision 1; 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97C.211; 97C.305, subdivision 1; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, section 84.091, subdivision 2; repealing Minnesota Statutes 1990, section 97C.209.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse introduced—

S.F. No. 2377: A bill for an act relating to human services; increasing the limit on personal care services under the medical assistance program for recipients who need personal care services to communicate with others; amending Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Gustafson and Samuelson introduced—

S.F. No. 2378: A bill for an act relating to public safety; establishing the automatic fire-safety sprinkler system loan program for existing multifamily residential properties; creating the automatic fire-safety sprinkler system fund; exempting newly installed automatic sprinklers from sales and property taxes; authorizing bonds to be issued to fund the program; appropriating money; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Veterans and General Legislation.

Mr. Chmielewski introduced—

S.F. No. 2379: A bill for an act relating to health; requiring health plan companies to include certain licensed physicians as participating providers; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Messrs. Neville; Moe, R.D.; Terwilliger; Beckman and Gustafson introduced—

S.F. No. 2380: A bill for an act relating to the legislature; requiring committees of the legislature to consider the effect of proposed legislation on the state's science and technology policy; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Rules and Administration.

Ms. Ranum introduced—

S.F. No. 2381: A bill for an act relating to data; providing for disclosure of data between the commissioners of revenue and human services to determine telephone assistance plan eligibility; amending Minnesota Statutes 1990, section 270B.14, subdivision 1; Minnesota Statutes 1991 Supplement, section 13.46, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Pogemiller, Ms. Flynn, Messrs. Morse and Renneke introduced—

S.F. No. 2382: A bill for an act relating to retirement; providing for surviving spouse benefits for the Minneapolis Police Relief Association and the Minneapolis Fire Department Relief Association; amending Laws 1949, chapter 406, section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

Referred to the Committee on Governmental Operations.

Messrs. McGowan and Spear introduced—

S.F. No. 2383: A bill for an act relating to peace officers; affording qualified federal law enforcement officers the authority of peace officers when assigned to special state and federal task forces; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 2384: A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582.

Referred to the Committee on Judiciary.

Mr. Spear, Meses. Ranum, Flynn, Messrs. Pogemiller and Kroening introduced—

S.F. No. 2385: A bill for an act relating to elections; special school district No. 1; allowing special school district No. 1 to change the years of its elections; amending Laws 1959, chapter 462, section 3, as amended.

Referred to the Committee on Elections and Ethics.

Mr. Berg introduced—

S.F. No. 2386: A bill for an act relating to lawful gambling; regulating licensed organizations, distributors, and manufacturers; making various technical changes; amending Minnesota Statutes 1990, sections 349.12, subdivisions 1, 11, 18, 21, 23, and 30; 349.152, subdivisions 2 and 3; 349.153; 349.16, subdivision 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 4, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166; 349.168, subdivisions 3 and 6; 349.169, subdivision 2; 349.174; 349.18, subdivision 2; 349.19, subdivision 6; 349.191, subdivisions 1 and 4; 349.2124; 349.2125,

subdivisions 1 and 3; and 349.2127, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 349.12, subdivision 25; 349.151, subdivision 4; 349.154, subdivision 2; 349.167, subdivision 4; 349.18, subdivisions 1 and 1a; and 349.213, subdivision 1.

Referred to the Committee on Gaming Regulation.

Mr. Pogemiller introduced—

S.F. No. 2387: A bill for an act relating to retirement; Minneapolis teachers retirement fund association; eliminating retroactive application of omitted salary deduction provision; eliminating reduction in benefit of annuitants returning to active service in certain circumstances; amending Laws 1991, chapter 317, sections 5 and 6.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller and Ms. Flynn introduced—

S.F. No. 2388: A bill for an act relating to University of Minnesota; providing that fines collected for traffic and parking offenses on university property be paid into the treasury of the university; amending Minnesota Statutes 1990, section 169.965, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 2389: A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001, subdivisions 1 and 3; 97C.005; 97C.351; and 103G.615, subdivision 3; Minnesota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.R. introduced—

S.F. No. 2390: A bill for an act relating to agriculture; changing coverage of certain criminal and administrative penalties; amending Minnesota Statutes 1991 Supplement, sections 17.982, subdivision 1; 17.983, subdivision 1; and 17.984, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Beckman and Vickerman introduced—

S.F. No. 2391: A bill for an act relating to taxation; property; imposing a surcharge on penalties and interest on certain delinquent real estate taxes;

providing for funding for the housing trust fund; amending Minnesota Statutes 1990, sections 276.131; 279.01, by adding a subdivision; and 279.03, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B.; Messrs. Morse and Johnson, D.J. introduced—

S.F. No. 2392: A bill for an act relating to state parks; authorizing additions to and deletions from certain state parks; authorizing an easement and regulating campground use at McCarthy Beach state park.

Referred to the Committee on Environment and Natural Resources.

Ms. Piper, Messrs. Chmielewski, Frank, Kroening and Mondale introduced—

S.F. No. 2393: A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Davis; Beckman; Johnson, D.J. and Morse introduced—

S.F. No. 2394: A bill for an act relating to education; creating the Waseca higher education center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Messrs. Davis and Morse introduced—

S.F. No. 2395: A bill for an act relating to agriculture; changing requirements for the payment of certain pesticide registration and agricultural chemical response and reimbursement fees; amending Minnesota Statutes 1990, section 18B.26, subdivision 3; Minnesota Statutes 1991 Supplement, section 18E.03, subdivision 5.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Solon, Pogemiller, Kroening, Hughes and Waldorf introduced—

S.F. No. 2396: A bill for an act relating to retirement; St. Paul teachers; making various changes in administrative provisions of laws governing the St. Paul teachers retirement fund association; amending Minnesota Statutes 1990, sections 354A.011, subdivisions 4, 8, 11, 12, 13, 14, 15, 21, 24, and 27; 354A.021, subdivision 6; 354A.05; 354A.08; 354A.096; 354A.36, subdivision 3; 354A.38, subdivision 3; and 354A.39; Minnesota Statutes 1991 Supplement, section 354A.011, subdivision 26; repealing Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Messrs. Dahl, Mondale, Marty and Lessard introduced—

S.F. No. 2397: A bill for an act relating to natural resources; providing for the prevention and suppression of wildfires in forest areas; providing penalties; amending Minnesota Statutes 1990, sections 88.01, subdivisions 2, 6, 8, 15, and by adding subdivisions; 88.02; 88.03; 88.04; 88.041; 88.05; 88.06; 88.065; 88.067; 88.08; 88.09, subdivision 2; 88.10; 88.11, subdivision 2; 88.12; 88.14; 88.15; 88.16; 88.17, subdivision 1; 88.18; and 88.22; proposing coding for new law in Minnesota Statutes, chapter 88; repealing Minnesota Statutes 1990, sections 88.17, subdivision 2; and 88.19.

Referred to the Committee on Environment and Natural Resources.

Mr. Riveness introduced—

S.F. No. 2398: A bill for an act relating to education; postsecondary; regulating eligibility for state grants for higher education; repealing Minnesota Statutes 1991 Supplement, section 136A.101, subdivisions 7a and 7b.

Referred to the Committee on Education.

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

S.F. No. 2399: A bill for an act relating to state lands; defining “substantially equal value” for purposes of state land exchanges; amending Minnesota Statutes 1990, section 94.344, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 2400: A bill for an act relating to state lands; removing conservation easement restriction on the exchange of state-owned nonforested marginal land if the deed contains a certain restrictive covenant; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 2401: A bill for an act relating to the city of Red Wing; authorizing the expenditure of certain tax increment revenue.

Referred to the Committee on Economic Development and Housing.

Mr. Riveness introduced—

S.F. No. 2402: A bill for an act relating to state government; executive council; regulating depositories for state funds; amending Minnesota Statutes 1990, section 9.031, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 9; repealing Minnesota Statutes 1990, section 9.031, subdivisions 1, 2, 3, 4, 5, and 10.

Referred to the Committee on Governmental Operations.

Mr. Frank and Mrs. Adkins introduced—

S.F. No. 2403: A bill for an act relating to taxation; property; changing certain published notice and the hearing date requirements on proposed property taxes; amending Minnesota Statutes 1991 Supplement, section 275.065, subdivisions 5a and 6.

Referred to the Committee on Local Government.

Ms. Reichgott introduced—

S.F. No. 2404: A bill for an act relating to sexual abuse; clarifying application of amendments relating to extension of the statute of limitations; amending Laws 1991, chapter 232, section 5.

Referred to the Committee on Judiciary.

Ms. Flynn introduced—

S.F. No. 2405: A bill for an act relating to financial institutions; requiring state depositories to satisfy community reinvestment standards; amending Minnesota Statutes 1990, section 9.031, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 9.031, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Riveness; Johnson, D.J.; Pogemiller; Benson, D.D. and Ms. Olson introduced—

S.F. No. 2406: A bill for an act relating to taxation; extending homestead treatment to property occupied by a person who is related to the owner; amending Minnesota Statutes 1991 Supplement, section 273.124, subdivision 1; repealing Minnesota Statutes 1991 Supplement, section 273.124, subdivision 15.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B.; Messrs. Marty, Mondale, Finn and Novak introduced—

S.F. No. 2407: A bill for an act relating to energy; establishing energy efficiency standards for room air conditioners; amending Minnesota Statutes 1990, section 216C.19, subdivision 13.

Referred to the Committee on Energy and Public Utilities.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

The Senate reconvened at the appropriate time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:30 p.m. The motion prevailed.

The hour of 6:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

RECESS

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

The Senate reconvened at the appropriate time.

ADJOURNMENT

Mr. Dahl moved that the Senate do now adjourn until 2:00 p.m., Monday, March 9, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-FOURTH DAY

St. Paul, Minnesota, Monday, March 9, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Simon Fensom.

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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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 and referred to the committee indicated.

February 20, 1992

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:

MINNESOTA POLLUTION CONTROL AGENCY

William A. Urseth, 2028 Kenwood Parkway, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective February 25, 1992, for a term expiring on the first Monday in January, 1996.

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

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House accedes to the request of the Senate for the return of Senate File No. 720 for further consideration.

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.

Senate File No. 720, together with the Conference Committee Report, is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 5, 1992

Mr. Moe, R.D. moved that S.F. No. 720 and the Conference Committee Report thereon be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1862 and 1889.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 5, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1862: A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; amending Laws 1988, chapter 594, section 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1721, now on General Orders.

H.F. No. 1889: A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amending Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, subdivision 1.

Referred to the Committee on Judiciary.

REPORTS OF COMMITTEES

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1801: A bill for an act relating to commerce; motor vehicle sale and distribution; regulating payments upon franchise termination, cancellation, or nonrenewal; amending Minnesota Statutes 1990, section 80E.09, subdivision 1.

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

Page 1, line 22, after "facilities" insert "*as an ongoing new motor vehicle dealership*"

Page 2, line 12, after "*nonrenewal*" insert "*. Any amount due under this paragraph is reduced to the extent the dealership makes other use of the property, sells, leases or subleases the property, or secures release from a lease. If the dealer rejects reduction of facility rental value compensation as described in this paragraph, the manufacturer is entitled to use of the premises for the period for which compensation is to be provided or the dealer may elect to receive no compensation*"

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. 1942: A bill for an act relating to human services; establishing a grant program for crime prevention services for Asian youth; 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 11, after the period, insert "*The commissioners of human services, education, and public safety shall work together to coordinate grant activities.*"

Page 2, after line 8, insert:

"*Subd. 4. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] Grant money awarded under this section may be used to satisfy any state or local match requirement that must be satisfied in order to receive federal funds.*"

Renumber the subdivisions in sequence

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

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

S.F. No. 1016: A bill for an act relating to human services; authorizing a grant program to establish two pilot children's safety centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256F.

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

Page 1, line 14, delete "*documented*" and insert "*a*"

Page 1, line 20, after "*divorced*" insert "*and for parents with children in foster homes*"

Page 2, line 2, after "*classes*" insert "*, and must offer support groups*"

Page 2, line 3, before "*parents*" insert "*custodial*"

Page 2, line 15, delete "*1993*" and insert "*1994*"

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

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

S.F. No. 1638: A bill for an act relating to counties; permitting county offices to be filled by special election; amending Minnesota Statutes 1990, sections 375.08; and 375.101, subdivision 1.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1773: A bill for an act relating to cities; permitting the appointment of citizen budget advisory committees; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, line 10, after "city" insert "or a county board"

Page 1, lines 12, 14, 20, 23, and 24, after "city" insert "and county"

Page 1, line 16, after "city's" insert "and county's"

Page 1, line 17, after "council" insert "and county board"

Page 2, line 3, after "City" insert "and county"

Page 2, line 14, after "city" insert "or county"

Amend the title as follows:

Page 1, line 2, after "cities" insert "and counties"

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. 1729: A bill for an act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivision 1; 48.38, subdivision 6; 48.84; and 501B.10, subdivision 6.

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

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 1990, section 48.01, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means any bank, trust company, bank and trust company, or mutual savings bank which is now or may hereafter be organized under the laws of this state. *For purposes of sections 48.38, 48.84, and 501B.10, subdivision 6, and to the extent permitted by federal law, "banking institution" includes any national banking association or affiliate exercising trust powers in this state.*"

Page 2, line 23, after the period, insert "*This paragraph does not alter the degree of care and judgment required of trustees by section 501B.10, subdivision 1.*"

Page 3, line 15, after the period, insert "*This paragraph does not alter the degree of care and judgment required of trustees by section 501B.10, subdivision 1.*"

Page 5, line 1, delete "4" and insert "5"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision 1" and insert "subdivisions 1 and 2"

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

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 429: A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1990, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1 and 3; 144.415; 144.416; and 144.417, subdivisions 1 and 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.413, is amended by adding a subdivision to read:

Subd. 1a. [EMPLOYER.] "Employer" means a person, partnership, corporation, or nonprofit entity that employs one or more persons. It includes political subdivisions of the state.

Sec. 2. Minnesota Statutes 1990, section 144.413, is amended by adding a subdivision to read:

Subd. 1b. [PLACE OF WORK.] "Place of work" means an indoor area under the control of an employer where services are performed for the employer.

Sec. 3. Minnesota Statutes 1990, section 144.413, subdivision 2, is amended to read:

Subd. 2. [PUBLIC PLACE.] "Public place" means any enclosed, indoor area used by the general public or serving as a place of work, including, but not limited to, restaurants, retail stores, offices and other commercial establishments, public conveyances, educational facilities, hospitals, nursing homes, auditoriums, arenas and meeting rooms, ~~but excluding private, enclosed offices occupied exclusively by smokers even though such offices may be visited by nonsmokers and common areas of apartments and condominiums.~~

Sec. 4. Minnesota Statutes 1990, section 144.413, is amended by adding a subdivision to read:

Subd. 3a. [RESTAURANT.] "Restaurant" has the meaning given in section 157.01, except that "restaurant" does not include a bar as provided under section 144.415.

Sec. 5. Minnesota Statutes 1990, section 144.414, subdivision 3, is amended to read:

Subd. 3. [HEALTH CARE FACILITIES AND CLINICS.] (a) Smoking is prohibited in any area of a hospital, health care clinic, doctor's office, or other health care-related facility, other than a nursing home, boarding care facility, or licensed residential facility, except as allowed in this subdivision.

(b) Smoking by patients in a chemical dependency treatment program or

mental health program may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program that identifies circumstances in which prohibiting smoking would interfere with the treatment of persons recovering from chemical dependency or mental illness.

(e) ~~Smoking by a patient may be allowed if authorized in writing by the patient's attending physician.~~

Sec. 6. Minnesota Statutes 1990, section 144.414, is amended by adding a subdivision to read:

Subd. 4. [STATE CAPITOL.] Smoking is prohibited in the state capitol building.

Sec. 7. Minnesota Statutes 1990, section 144.417, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health shall adopt rules necessary and reasonable to implement the provisions of sections 144.411 to 144.417, ~~except as provided for in section 144.414.~~

The state commissioner of health may, upon request, waive the provisions of sections 144.411 to 144.417 if the commissioner determines there are compelling reasons to do so and a waiver will not significantly affect the health and comfort of nonsmokers.

Sec. 8. Minnesota Statutes 1990, section 144.417, subdivision 2, is amended to read:

Subd. 2. [PENALTIES.] ~~Any~~ A person who violates ~~section~~ sections 144.414 to 144.417 is guilty of a petty misdemeanor."

Amend the title as follows:

Page 1, line 5, delete "subdivisions 1 and 3; 144.415; 144.416" and insert "subdivision 3, and by adding a subdivision"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2227: A bill for an act relating to landlords and tenants; changing the interest rate required on a rental deposit; amending Minnesota Statutes 1990, section 504.20, subdivision 2.

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

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

S.F. No. 1766: A bill for an act relating to Hubbard county; authorizing the private sale of certain land which was exchanged for tax-forfeited land.

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

Delete everything after the enacting clause and insert:

"Section 1. [PRIVATE SALE OF EXCHANGED LAND; HUBBARD

COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may convey by private sale, under the remaining provisions of Minnesota Statutes, chapter 282, the land described in paragraph (c).

(b) The land may be conveyed by private sale to Thomas Dent of Lake George, Minnesota. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed was previously exchanged for tax-forfeited land and is described as:

That part of Government Lot 4 of section 16, Township 143 North, Range 34 West of the 5th Principal Meridian, Hubbard County Minnesota, described as follows:

Beginning at the Northeast corner of said Government Lot 4 as established by MN DOT survey; thence West along the North line of Government Lot 4 on an assumed bearing of North 89 degrees 35 minutes 56 seconds West a distance of 274.73 feet to an iron pipe which is also the point of beginning; thence continuing West along the North line of Government Lot 4 the same bearing of North 89 degrees 35 minutes 56 seconds West a distance of 148.21 feet to an iron pipe which is also the easterly right of way line of U.S. Highway 71; thence South 54 degrees 08 minutes 03 seconds West along said right of way line a distance of 49.69 feet to an iron pipe; thence South 33 degrees 43 minutes 58 seconds East a distance of 110.83 feet to an iron pipe; thence North 63 degrees 54 minutes 10 seconds East a distance of 82.17 feet to an iron pipe; thence North 32 degrees 17 minutes 10 seconds East a distance of 99.47 feet to the point of beginning. Above described tract contains 0.32 acres.

(d) Mr. Dent is the purchaser under a contract for deed of an adjoining tract containing a house and garage that encroach upon the tract to be sold.

Sec. 2. [LAKE WINNIBOGOSHISH FISH HATCHERY; SALE TO THE UNITED STATES OF AMERICA, IN TRUST FOR THE MINNESOTA CHIPPEWA TRIBE.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 94.09 to 94.16, the commissioner of natural resources may sell, at private sale, land and related improvements located in Cass county and described in this section to the United States of America, in trust for the Minnesota Chippewa Tribe, for use for fish propagation purposes.

(b) The conveyance must be in a form approved by the attorney general. The consideration may be for less than the appraised value of the land and improvements thereon, as determined by the commissioner of natural resources. The proceeds from the sale must be credited to the game and fish fund. The state shall reserve minerals and mineral rights in the conveyance. A conservation easement need not be retained under Minnesota Statutes, section 103F.535.

(c) The land, including related improvements, which may be conveyed is land that the state acquired by eminent domain in 1949 for fish-rearing ponds, fish hatchery, and related purposes, and that included the former channel of the Mississippi river. The land and related improvements are no longer used or needed for these purposes. The land is located in Cass county,

in Sections 25 and 36 of Township 146 North, Range 27 West, and is described as:

(1) that portion of Section 25, that was formerly the bed of the Mississippi river, described as follows:

Beginning at meander corner No. 12 at the intersection of the government meander line on the right bank of the Mississippi river and the South line of said Section 25; thence northwesterly along said government meander line on the right bank of the Mississippi river to the intersection with a line running parallel to and 150 feet southerly of the center line of State Aid Road No. 9; thence northeasterly along last described line to the right bank of the Mississippi river as reconstructed and improved; thence in a southeasterly direction along the right bank of the Mississippi river as reconstructed and improved, to the intersection with the South line of Section 25; thence West along the South line of Section 25 to the point of beginning; containing 15.52 acres, more or less; and

(2) that portion of Section 36 that was the former bed of the Mississippi river, more fully described as follows:

Beginning at the meander corner on the North line of Section 36 and right bank of the Mississippi river; thence easterly along said section line to the right bank of the Mississippi river, as reconstructed and improved; thence in a southeasterly direction along the right bank of the said Mississippi river as reconstructed and improved, to the intersection with a line which is 2,000 feet South and parallel to the North line of Section 36; thence westerly along last described line to the intersection with the meander line of the right bank of the Mississippi river; thence westerly and northerly along the meander line of the right bank of the Mississippi river to point of beginning; containing 68.02 acres, more or less.

Sec. 3. [SALE OF LEASED LAND TO HUBBARD COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 84.027, subdivision 10, and 94.09 to 94.16, if the commissioner of natural resources declares the land described in paragraph (c) to be surplus land under Minnesota Statutes, section 84.027, subdivision 10, the commissioner shall convey the land described in paragraph (c) to Hubbard county for no consideration, except that the county must agree to allow the state to use the property, at no charge, in a manner not inconsistent with the county's use under paragraph (d).

(b) The conveyance must be in a form approved by the attorney general and must provide that the land reverts to the state if it is not used for the purpose described in paragraph (d) or for another public purpose.

(c) The land that may be conveyed is located in Hubbard county and is described as:

All that tract or parcel of land lying and commencing at the Quarter Section corner between Section 8 and Section 9 in Township 143 North, Range 33 West, thence run due West along the east and west quarter section line in said Section 8 a distance of 660 feet, thence South at right angles 330 feet, thence East at right angles 660 feet to the east line of said Section 8, thence North at right angles 330 feet along said east line of said Section 8 to the place of beginning at the Northeast corner of the NE 1/4 or the SE 1/4 of said Section 8, containing 5 acres, more or less.

(d) The land is a five-acre parcel that was purchased by the state in 1934

for use as a fire tower site. The county has leased the land since 1981 as a site for radio antennae and related equipment that are used for law enforcement and other public purposes and has erected fencing and a building to house the equipment.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing the private sale of certain land which was exchanged for tax-forfeited land; authorizing the commissioner of natural resources to sell certain land and related improvements located in Cass county to the United States of America; requiring the commissioner of natural resources to convey certain land to Hubbard county."

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1872: A bill for an act relating to the city of West Saint Paul; providing for delayed property tax assessment of improvements to certain residential property.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2066: A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated cities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; requiring regional development commissions to establish permit information centers; amending Minnesota Statutes 1990, section 116C.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; proposing coding for new law as Minnesota Statutes, chapter 116S.

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

Delete everything after the enacting clause and insert:

"CHAPTER 116S

DESIGNATED COUNTIES

Section 1. [116S.01] [DESIGNATED COUNTIES.]

The commissioner of trade and economic development shall certify counties which are designated counties. A county is a designated county if the county has had a decline in population from 1980 to 1990, as determined by the 1990 federal decennial census.

For purposes of sections 1 to 3, "designated county" means a county designated by the commissioner of trade and economic development as

provided under this section and a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

Sec. 2. [116S.02] [CREDIT FOR JOB CREATION.]

(a) A business with operations located in a designated county may take a credit against the tax due under chapter 290 for five taxable years. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation.

(b) The credit is equal to \$2,500 multiplied by the number of persons paid an annual wage of at least \$15,000 and employed by the business within the designated county on a full-time basis on the last day of the taxable year, not to exceed the number of persons paid an annual wage of at least \$15,000 and employed by the business on a full-time basis within the designated county on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed, the credit must not exceed 80 percent of the wages paid to or incurred for persons paid an annual wage of at least \$15,000 and employed by the taxpayer in the designated county during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons paid an annual wage of at least \$15,000 and employed by the taxpayer in the designated county during the taxable year. For purposes of this subdivision, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the business 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.

(e) The credit authorized under this section is increased to \$5,000 if the business utilizes fiber optics in its operations in the designated county.

Sec. 3. [116S.03] [RESEARCH AND DEVELOPMENT CREDIT.]

(a) A business with operations located in a designated county may take a credit of \$2,500 against the tax due under chapter 290 for up to five taxable years if the business spends at least ten percent of its revenue for research and development activities for each of the taxable years that the credit is taken. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation.

(b) The carryforward provisions authorized in section 2, paragraph (d), apply to the research and development credit.

Sec. 4. [116S.04] [SALES TAX EXEMPTION.]

Materials, equipment, and supplies used or consumed in constructing or

incorporated into the construction of a new manufacturing facility or expansion of an existing one in a designated county are exempt from the taxes imposed under chapter 297A. Except for equipment owned or leased by a contractor, all machinery, equipment, and tools necessary to the construction, expansion, or equipping of the facility are also exempt.

Sec. 5. [116S.05] [BUSINESS OPPORTUNITY DISTRICTS.]

Subdivision 1. [AUTHORIZATION.] A city located in a designated county or a city of the second class that is designated as an economically depressed area by the United States Department of Commerce may create business opportunity districts within which the powers of tax increment financing as provided in sections 469.174 to 469.179 may be exercised. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the districts. For purposes of this section, "city" has the meaning given for "authority" in section 469.174, subdivision 2.

Subd. 2. [REDEVELOPMENT DISTRICT.] For the purposes of exercising tax increment financing powers under this section, "redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the city 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) at least 25 percent of the area of the district is tax-forfeited land.

Subd. 3. [EXEMPTION.] Section 273.1399 does not apply to a district created under this section.

Sec. 6. [APPLICATION AND EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1992, and only applies to new jobs created after December 31, 1992."

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated counties; providing tax credits for job creation and research and development activities; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; proposing coding for new law as Minnesota Statutes, chapter 116S."

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1828: A bill for an act relating to local planning and zoning; providing for the administration of land use controls; defining authority of local government units; providing for procedures and records; providing penalties; amending Minnesota Statutes 1990, section 473.858, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 465A; repealing Minnesota Statutes 1990, sections 366.10; 366.11; 366.12;

366.13; 366.14; 366.15; 366.16; 366.17; 366.18; 366.181; 394.21; 394.22; 394.23; 394.24; 394.25; 394.26; 394.27; 394.28; 394.29; 394.30; 394.301; 394.312; 394.32; 394.33; 394.34; 394.35; 394.36; 394.361; 394.362; 394.37; 462.351; 462.352; 462.353; 462.354; 462.355; 462.356; 462.357; 462.358; 462.3585; 462.359; 462.3595; 462.3597; 462.36; 462.361; 462.362; 462.363; and 462.364.

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 83.26, subdivision 2, is amended to read:

Subd. 2. [GENERALLY; TRANSACTIONS.] Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, the following transactions are exempt from sections 83.23, 83.24, 83.25, 83.28, 83.29, and 83.30:

(a) the offer or sale of an interest in subdivided land by an owner, other than the subdivider, acting as principal in a single or isolated transaction;

(b) the offer or sale of all of the subdivided lands within a subdivision in a single transaction to any person;

(c) the offer or sale of subdivided land pursuant to an order of competent jurisdiction, other than a court of bankruptcy;

(d) the offer or sale of subdivided land consisting of not more than ten separate lots, units, parcels, or interests in the aggregate;

(e) the offer or sale of subdivided lands which have been registered under section 83.23, subdivision 2, if there are no more than ten separate lots, units, parcels, or interests remaining to be sold and no material change has occurred in the information on file with the commissioner;

(f) the offer and sale of subdivided land located within the corporate limits of a ~~municipality as defined in section 462.352, subdivision 2, statutory city, home rule charter city, or town~~ which ~~municipality statutory city, home rule charter city, or town~~ has adopted subdivision regulations as defined in section ~~462.352~~ 465A.01, subdivision 22, except those lands described in section 83.20, subdivision 13;

(g) the offer and sale of apartments or condominiums as defined in chapters 515 and 515A;

(h) the offer and sale of subdivided lands used primarily for agricultural purposes provided each parcel is at least ten acres in size;

(i) the offer or sale of improved lots if:

(1) the subdivider has filed with the commissioner, no later than ten business days prior to the date of the first sale, a written notice of its intention to offer or sell improved lots, which notice shall be accompanied by a fee of \$50, together with a copy of the public offering statement accepted by the situs state and the standard purchase agreement which documents are required to be supplied by the subdivider to the purchaser; and

(2) the subdivider deposits all downpayments in an escrow account until all obligations of the subdivider to the purchaser, which are pursuant to the

terms of the purchase agreement to be performed prior to the closing, have been performed. The subdivider shall provide the purchaser with a purchase receipt for the downpayment paid, a copy of the escrow agreement and the name, address, and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. All downpayments shall be deposited in the escrow account within two business days after receipt.

The commissioner may by rule or order suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), and (i) or may require such further information as may be necessary for the protection of purchasers.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 2. Minnesota Statutes 1990, section 327C.01, subdivision 7a, is amended to read:

Subd. 7a. [PLANNING AGENCY.] "Planning agency" means the planning commission or the planning department of a ~~municipality local government unit~~ as defined in section ~~462.352~~, ~~the planning and zoning commission of a town as defined in section 366.17~~, or the ~~planning commission of a county, as defined in section 394.30~~ ~~465A.01, subdivision 11~~, or if the ~~municipality local government unit~~ does not have a planning agency, the governing body of the ~~municipality local government unit~~.

Sec. 3. Minnesota Statutes 1990, section 375.51, subdivision 1, is amended to read:

Subdivision 1. [ENACTMENT.] In any instance in which a county board is authorized by law to enact ordinances, the ordinances shall be adopted in the manner prescribed in this section except as otherwise provided by law. A public hearing shall be held before the enactment of any ordinance adopting or amending a ~~comprehensive plan as defined in section 465A.01, subdivision 5~~, or official ~~control controls~~ as defined in section ~~394.22~~ ~~465A.01, subdivision 14~~. Every county ordinance shall be enacted by a majority vote of all the members of the county board unless a larger number is required by law. It shall be signed by the chair of the board and attested by the clerk of the board. The ordinance shall be published as provided in this section. Proof of the publication shall be attached to and filed with the ordinance in the office of the county auditor. Every ordinance shall be recorded in an ordinance book in the office of the county auditor within 20 days after its publication. All ordinances shall be suitably entitled and shall be substantially in the style: "The county board of county ordains:".

Sec. 4. Minnesota Statutes 1990, section 414.0325, subdivision 5, is amended to read:

Subd. 5. [PLANNING IN THE AREA DESIGNATED FOR ORDERLY ANNEXATION.] A joint resolution may provide for the establishment of a board to exercise planning and land use control authority within any area designated as an orderly annexation area pursuant to this section, in the manner prescribed by Minnesota Statutes 1976, section 471.59, subdivisions 2 to 8, inclusive.

(a) A board established pursuant to a joint resolution shall have all of the powers contained in ~~sections 462.351 to 462.364~~ ~~chapter 465A~~, and shall have the authority to adopt and enforce the uniform fire code promulgated

pursuant to section 299F.011.

(b) The joint resolution may provide that joint planning and land use controls shall apply to any or all parts of the area designated for orderly annexation as well as to any adjacent unincorporated or incorporated area, provided that the area to be included shall be described in the joint resolution.

(c) If the joint resolution does not provide for joint planning and land use control, the following procedures shall govern:

If the county and townships agree to exclude the area from their zoning and subdivision ordinances, the municipality may extend its zoning and subdivision regulations to include the entire orderly annexation area as provided in ~~section 462.357, subdivision 1, and section 462.358, subdivision 1.~~

If the county and township do not agree to such extraterritorial zoning and subdivision regulation by the municipality, zoning and subdivision regulation within the orderly annexation area shall be controlled by a three-member committee with one member appointed from each of the municipal, town, and county governing bodies. This committee shall serve as the "governing body" and "board of ~~appeals and adjustments~~ *adjustment*", for purposes of ~~sections 462.357 and 462.358~~ *chapter 465A*, within the orderly annexation area. The committee shall have all of the powers contained in ~~sections 462.354 to 462.364~~ *chapter 465A*, and shall have the authority to adopt and enforce the uniform fire code promulgated pursuant to section 299F.011."

Page 2, line 9, delete "465A.02" and insert "465A.01"

Page 4, line 11, delete "20" and insert "23"

Page 4, lines 26, 30, and 31, delete "17" and insert "20"

Page 5, line 20, delete "17" and insert "20"

Page 6, line 3, delete "465A.03" and insert "465A.02"

Page 6, line 30, delete "465A.04" and insert "465A.03"

Page 7, line 2, delete "465A.05" and insert "465A.04"

Page 8, line 14, delete "9" and insert "12"

Page 9, line 3, delete "21" and insert "24"

Page 9, line 4, delete "465A.06" and insert "465A.05"

Page 10, line 19, delete "21" and insert "24"

Page 12, line 7, delete "465A.07" and insert "465A.06"

Page 12, line 21, delete "8" and insert "11"

Page 12, line 32, delete "465A.08" and insert "465A.07"

Page 13, line 7, delete "5" and insert "8"

Page 13, line 24, delete "465A.09" and insert "465A.08"

Page 14, lines 13 and 33, delete "21" and insert "24"

Page 16, line 4, delete "12" and insert "15"

Page 16, line 11, delete "465A.10" and insert "465A.09"

Page 17, line 17, delete "465A.11" and insert "465A.10"

Page 17, line 34, delete "21" and insert "24"

Page 18, line 7, delete "465A.12" and insert "465A.11"

Page 18, line 30, delete "465A.13" and insert "465A.12"

Page 19, line 21, delete "465A.14" and insert "465A.13"

Page 21, line 29, delete "465A.15" and insert "465A.14"

Page 22, line 28, delete "21" and insert "24"

Page 23, line 18, delete "465A.16" and insert "465A.15"

Page 23, line 34, delete "21" and insert "24"

Page 23, line 35, delete "465A.17" and insert "465A.16"

Page 25, line 18, delete everything after "DEDICATION."

Page 25, delete lines 19 to 32 and insert "*The regulations may require that a reasonable part of any proposed subdivision must be dedicated to the public or kept for public use as streets; roads; sewers; electric, gas, and water facilities; storm water drainage and holding areas; ponds, conservation areas, wetlands, and similar utilities and improvements.*"

In addition, the regulations may require that a reasonable portion of any proposed subdivision be dedicated to the public or preserved for public use as trails, playgrounds, parks, open space, recreational, or common areas and facilities. The local government unit must reasonably determine that as a result of approval of the subdivision it is necessary to dedicate or preserve that part of land for the purposes stated in this paragraph. For part or all of the part required to be dedicated or preserved for such purposes, the local government unit may choose to"

Page 25, line 33, after "cash" insert ", based on a reasonable fee schedule or per site basis,"

Page 25, line 34, delete "or based on a reasonable fee schedule" and insert "at the time of final approval. The fee schedule must be"

Page 26, line 33, delete "21" and insert "24"

Page 31, line 8, delete "465A.18" and insert "465A.17"

Page 33, lines 19 and 27, delete "21" and insert "24"

Page 34, line 11, delete "465A.19" and insert "465A.18"

Page 34, line 36, delete "465A.20" and insert "465A.19"

Page 35, line 18, delete "21" and insert "24"

Page 36, line 24, delete "21" and insert "24"

Page 36, line 35, delete "465A.21" and insert "465A.20"

Page 38, line 26, delete "465A.22" and insert "465A.21"

Page 39, line 20, delete "465A.23" and insert "465A.22"

Page 39, lines 23 and 24, delete "1 to 22" and insert "5 to 25"

Page 39, line 29, delete "465A.24" and insert "465A.23"

Page 40, line 11, delete "465A.25" and insert "465A.24"

Page 40, line 18, after "sections" insert "473.175 and"

Page 40, line 21, delete "9" and insert "12"

Page 40, line 22, delete "465A.26" and insert "465A.25"

Page 40, lines 31 and 32, delete "1 to 26" and insert "5 to 29"

Page 41, lines 2 and 6, delete "465A.11" and insert "465A.10"

Page 41, after line 10, insert:

"Sec. 32. Minnesota Statutes 1990, section 473.192, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, "metropolitan area" has the meaning given it in section 473.121, subdivision 2. "Aviation policy plan" means the plan adopted by the metropolitan council pursuant to section 473.145. "Municipality" ~~has the meaning provided by section 462.352, subdivision 2~~ means any city, including a city operating under a home rule charter, and any town.

Sec. 33. Minnesota Statutes 1990, section 473.852, subdivision 3, is amended to read:

Subd. 3. "Applicable planning statute" means ~~sections 394.21 to 394.37 for counties and sections 462.351 to 462.364 for cities and towns~~ chapter 465A.

Sec. 34. Minnesota Statutes 1990, section 473.863, subdivision 4, is amended to read:

Subd. 4. Capital improvement programs of school districts adopted ~~prior before the districts are subject to~~ the requirements of programs adopted pursuant to sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871 shall remain in force and effect until amended, repealed, or superseded by programs adopted pursuant to sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871. Existing school district programs may be amended as appropriate and new programs prepared and adopted prior to the submission to the council of programs required by sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871. Existing programs may be used in whole or in part following modification, as necessary, to satisfy the requirements of sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871.

Sec. 35. [REVISOR'S INSTRUCTION.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete each reference in column B and insert the reference in column C. The references in column C may be changed by the revisor to the section of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
17.81, subd. 3	394.21 to 394.37 462.351 to 462.364 366.10 to 366.19	chapter 465A
40A.02, subd. 15	394.22, subd. 6	465A.01, subd. 14
40A.04, subd. 2	394.32	465A.11
103B.211, subd. 1	366.10 to 366.19 394.21 to 394.37 462.351 to 462.364	chapter 465A
103B.235, subd. 1	462.351 to 462.364	chapter 465A
103F.121, subd. 3	394.26 or 462.357	465A.20
103F.121, subd. 3	394.37 or 462.362	465A.22
103F.215, subd. 2	394.26	465A.20
103F.215, subd. 3	394.37	465A.22

103F.221, subd. 2	462.357	465A.20
103F.221, subd. 2	462.362	465A.22
103F.373, subd. 2	394.27, subd. 9	465A.05, subd. 9
103F.389, subd. 2	394.27, subd. 9	465A.05, subd. 9
103F.405, subd. 1	366.10 to 366.19	chapter 465A
	394.21 to 394.37	
	462.351 to 462.365	
115.03, subd. 4	462.351 to 462.364	chapter 465A
145A.05, subd. 3	394.21 to 394.37	chapter 465A
145A.05, subd. 6	394.21 to 394.37	chapter 465A
272.162, subd. 1	462.36, subd. 1	465A.21
272.162, subd. 1	462.352, subd. 12	465A.01, subd. 21
299J.05	366.10 to 366.19	chapter 465A
	394.21 to 394.37	
	462.351 to 462.365	
383D.61	394.23	465A.02
383D.63	394.30, subd. 1	465A.04
383D.63	394.21 to 394.37	chapter 465A
473.167, subd. 2	394.361 or 462.359	465A.19
473.167, subd. 2a	394.361 or 462.359	465A.19
473.851	462.355, subd. 4	465A.10
473.854	462.355, subd. 4	465A.10
473.856	462.355, subd. 4	465A.10
473.858, subd. 1	462.355, subd. 4	465A.10
473.858, subd. 4	462.355, subd. 4	465A.10
473.859, subd. 1	462.355, subd. 4	465A.10
473.861, subd. 2	462.351 to 462.364	chapter 465A
473.862, subd. 3	462.351 to 462.364	chapter 465A
473.867, subd. 1	462.355, subd. 4	465A.10
473.869	462.355, subd. 4	465A.10
473.871	462.355, subd. 4	465A.10
473.872	462.355, subd. 4	465A.10
473H.02, subd. 4	394.21 to 394.37	chapter 465A
	462.351 to 462.364	
	366.10 to 366.19"	

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the second semicolon, insert "instructions to the revisor of statutes;"

Page 1, line 6, delete "section" and insert "sections 83.26, subdivision 2; 327C.01, subdivision 7a; 375.51, subdivision 1; 414.0325, subdivision 5; 473.192, subdivision 2; 473.852, subdivision 3;"

Page 1, line 7, after the semicolon, insert "and 473.863, subdivision 4;"

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

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

S.F. No. 1821: A bill for an act relating to children; establishing a general preference for adoption by relatives; amending Minnesota Statutes 1990, section 259.28, subdivision 2.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 256.87, subdivision 5, is amended to read:

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A ~~parent~~ *person* having custody of a dependent child not receiving assistance under sections 256.72 to 256.87 has a cause of action for child support against the child's absent parent *or parents*. Upon an order to show cause *or a petition* and a motion served on the absent parent *or parents*, the court shall order child support payments from the absent parent *or parents* under chapter 518.

Sec. 2. Minnesota Statutes 1990, section 257.071, subdivision 1, is amended to read:

Subdivision 1. [PLACEMENT; PLAN.] *(a) If a social service agency has good cause to believe that a child may be in need of temporary placement, the agency shall inform the child and the child's parents or guardian of the placement prevention and family reunification services available under section 256F.07.*

(b) If a child is placed in a residential facility by court order, the social service agency shall determine the child's medical history and contact the health care professionals who have been responsible for the child's care to determine the treatment plans necessary for inclusion in the child's case plan.

(c) A case plan shall be prepared within 30 days after any child is placed in a residential facility by court order or by the voluntary release of the child by the parent or parents.

For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services.

For the purposes of this section, a case plan means a written document which is ordered by the court or which is prepared by the social service agency responsible for the residential facility placement and is signed by the parent or parents, or other custodian, of the child, the child's legal guardian, the social service agency responsible for the residential facility placement, and, if possible, the child. The document shall be explained to all persons involved in its implementation, including the child who has signed the document, and shall set forth:

(1) The specific reasons for the placement of the child in a residential facility, including a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home;

(2) The specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (1), and the time period during which the actions are to be taken;

(3) The financial responsibilities and obligations, if any, of the parents for the support of the child during the period the child is in the residential facility;

(4) The visitation rights and obligations of the parent or parents during the period the child is in the residential facility;

(5) The social and other supportive services to be provided to the parent or parents of the child, the child, and the residential facility during the period the child is in the residential facility;

(6) The date on which the child is expected to be returned to the home of the parent or parents;

(7) The nature of the effort to be made by the social service agency responsible for the placement to reunite the family; ~~and~~

(8) Notice to the parent or parents that placement of the child in foster care may result in termination of parental rights but only after notice and a hearing as provided in chapter 260-; *and*

(9) When the child is likely to remain in foster care until she or he is emancipated or discharged to independent living or when otherwise appropriate, for a child age 16 or older, the case plan must also include a written description of the programs and services which will help the child prepare for the transition from foster care to independent living.

The parent or parents and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social service agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved, the foster parents shall be fully informed of the provisions of the case plan.

Sec. 3. Minnesota Statutes 1990, section 257.071, is amended by adding a subdivision to read:

Subd. 2a. [PERMANENCE.] A child placed in a foster family home may not be removed to another foster family home in the absence of good cause unless the new placement is an adoptive home or the home of a relative or the child has been in the foster family home for less than six months.

Sec. 4. Minnesota Statutes 1990, section 257.072, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3, *and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923;*

(a) In implementing the order of preference, an authorized child-placing agency may contact relatives of the child for the purpose of locating a suitable placement, notwithstanding any law that might classify certain data the agency might have to disclose as private, confidential, or nonpublic data. The agency shall disclose only data that is necessary to facilitate implementing the preference. If a parent makes an explicit request that the relative preference not be followed, the agency shall bring the matter to the attention of the court to determine whether the parent's request is consistent

with the best interests of the child; and

(b) In implementing the order of preference, the authorized child-placing agency shall develop written standards for determining the suitability of proposed placements. The standards need not meet all requirements for foster care licensing, but must ensure that the safety, health, and welfare of the child is safeguarded. In the case of an Indian child, the standards to be applied must be the prevailing social and cultural standards of the Indian child's community, and the agency shall defer to tribal judgment as to suitability of a particular home when the tribe has intervened pursuant to the Indian Child Welfare Act;

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children;

(4) if located in an area with a significant minority population, have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives; ~~and~~

(5) ensure that adoption and foster care workers attend training offered or approved by the department of human services regarding cultural diversity and the needs of special needs children; *and*

(6) develop and implement procedures for implementing the requirements of the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.

Sec. 5. Minnesota Statutes 1990, section 257.072, subdivision 8, is amended to read:

Subd. 8. [REPORTING REQUIREMENTS.] Each authorized child-placing agency shall provide to the commissioner of human services all data needed by the commissioner for the report required by section 257.0725, *including data on the number of children of minority racial or ethnic heritage receiving services, data on the number of adoption and foster care workers attending training regarding cultural diversity and the needs of special needs children, and data on the training provider.* The agency shall provide the data within 60 days of the end of the six-month period for which the data is applicable.

Sec. 6. Minnesota Statutes 1990, section 257.0725, is amended to read:
257.0725 [SEMIANNUAL REPORT.]

The commissioner of human services shall publish a semiannual report on children in out-of-home placement. The report shall include, by county and statewide, information on legal status, living arrangement, age, sex, race, accumulated length of time in placement, reason for most recent placement, race of family with whom placed, number of families from the child's own culture in the placement pool during the period for which data is provided, and other demographic information deemed appropriate on all children in out-of-home placement. *The report shall also include the number of qualified minority professional staff working in the agency, the number*

of staff who have received the training required in section 257.072, subdivision 7, and data on the training provider. The commissioner shall provide the required data for children who entered placement during the previous quarter and for children who are in placement at the end of the quarter. Out-of-home placement includes placement in any facility by an authorized child-placing agency. By December 1, 1989, and by December 1 of each successive year, the commissioner shall publish a report covering the first six months of the calendar year. By June 1, 1990, and by June 1 of each successive year, the commissioner shall publish a report covering the last six months of the calendar year.

Sec. 7. Minnesota Statutes 1990, section 257.59, subdivision 1, is amended to read:

Subdivision 1. [COURT JURISDICTION.] Except in Hennepin and Ramsey counties, the county court has jurisdiction of an action brought under sections 257.51 to 257.74. In Hennepin and Ramsey counties, the district court has jurisdiction of an action brought under sections 257.51 to 257.74. The action may be joined with an action for dissolution, annulment, legal separation, custody under chapter 518, or reciprocal enforcement of support. *The action may also be joined with an action under section 260.131 by a local social service agency if action under this section is brought by an individual seeking to establish paternity.*

Sec. 8. Minnesota Statutes 1990, section 259.255, is amended to read:
259.255 [PROTECTION OF HERITAGE OR BACKGROUND.]

The policy of the state of Minnesota is to ensure that the best interests of the child are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in adoption placements. For purposes of intercountry adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.

The authorized child placing agency shall give preference, in the absence of good cause to the contrary, to placing the child with (a) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, (b) a family with the same racial or ethnic heritage as the child, or, if that is not feasible, (c) a family of different racial or ethnic heritage from the child which is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or clauses (a) and (b) not be followed, the authorized child placing agency shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the agency shall place the child with a family that also meets the genetic parent's religious preference. Only if no family is available that is described in clause (a) or (b) may the agency give preference to a family described in clause (c) that meets the parent's religious preference.

Sec. 9. Minnesota Statutes 1990, section 259.28, subdivision 2, is amended to read:

Subd. 2. [PROTECTION OF HERITAGE OR BACKGROUND.] The

policy of the state of Minnesota is to ensure that the best interests of children are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in adoption placements. For purposes of intercountry adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.

~~In the adoption of a child of minority racial or minority ethnic heritage.~~ In reviewing adoptive placement, the court shall consider preference, and in determining appropriate adoption, the court shall give preference, in the absence of good cause to the contrary, to (a) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, to (b) a family with the same racial or ethnic heritage as the child, or if that is not feasible, to (c) a family of different racial or ethnic heritage from the child that is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall place the child with a family that also meets the genetic parent's religious preference. Only if no family is available as described in clause (a) or (b) may the court give preference to a family described in clause (c) that meets the parent's religious preference.

Sec. 10. Minnesota Statutes 1990, section 259.455, is amended to read:
259.455 [FAMILY RECRUITMENT.]

Each authorized child placing agency shall make special efforts to recruit an adoptive family from among the child's relatives, except as authorized in section 259.28, subdivision 2, and among families of the same ~~minority~~ racial or ~~minority~~ ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations, utilizing local media and other local resources, and conducting outreach activities. The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Sec. 11. Minnesota Statutes 1990, section 260.012, is amended to read:

260.012 [DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS; NOTICE TO PARENTS OF PLACEMENT PREFERENCE; DETERMINATION OF CHILD'S RACE AND ETHNICITY; COMPLIANCE WITH PLACEMENT PREFERENCES AT ALL STAGES OF NONDELINQUENCY PROCEEDINGS.]

(a) If a child in need of protection or services is under the court's jurisdiction, the court shall ensure that reasonable efforts including culturally appropriate services by the social service agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, consistent with the best interests, safety, and protection of the child. In the case of an Indian child, in proceedings under sections 260.172, 260.191, and 260.221 the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the

provision of active efforts. If a child is under the court's delinquency jurisdiction, it shall be the duty of the court to ensure that reasonable efforts are made to reunite the child with the child's family at the earliest possible time, consistent with the best interests of the child and the safety of the public.

(b) "Reasonable efforts" means the exercise of due diligence by the responsible social service agency to use appropriate and available services to meet the needs of the child and the child's family in order to prevent removal of the child from the child's family; or upon removal, services to eliminate the need for removal and reunite the family. Services may include those listed under section 256F.07, subdivision 3, and other appropriate services available in the community. The social service agency has the burden of demonstrating that it has made reasonable efforts.

(c) The juvenile court, in proceedings under sections 260.172, 260.191, and 260.221 shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made, the court shall consider whether services to the child and family were:

- (1) relevant to the safety and protection of the child;
- (2) adequate to meet the needs of the child and family;
- (3) culturally appropriate;
- (4) available and accessible;
- (5) consistent and timely; and
- (6) realistic under the circumstances.

(d) This section does not prevent out-of-home placement for treatment of a child with a mental disability when the child's diagnostic assessment or individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program.

(e) In proceedings under section 260.172, 260.191, 260.192, or 260.221, the court shall notify the parents and the child, if the child is at least 12 years old, of the placement preference in section 260.181, subdivision 3, and that the placement preference will be followed unless the parent or the child, if the child is at least 12 years old, explicitly requests that it not be followed and the court finds that request consistent with the best interests of the child.

(f) If the federal Indian Child Welfare Act applies, the court shall also notify the parents of the placement preference stated in the federal Indian Child Welfare Act, that the preference will be followed, and that, where appropriate, the court shall consider the preference of the Indian child or parent.

(g) For purposes of ensuring compliance with section 260.181 in proceedings under section 260.172, 260.191, 260.192, or 260.221, the court shall ask the parent for information regarding the child's race or ethnicity. If a parent is not present for the proceedings, the court may order the responsible social service agency to conduct an inquiry of the child's relatives and community members for the purpose of identifying for the court the child's race or ethnicity. When the court has sufficient information upon which to make a finding, the court shall make a written finding as to the

child's race and ethnicity. That finding shall identify the child's primary racial or ethnic community, but may also reflect the child's racial or ethnic diversity as appropriate. The requirements of this section are in addition to the court's duty to determine tribal affiliation under section 257.354, subdivision 2.

(h) A child placed under section 257.071, 260.172, 260.191, 260.192, or 260.221, or who has a guardian appointed under section 260.242, must be placed according to the preference stated in section 260.181, subdivision 3, or, if applicable, the federal Indian Child Welfare Act. The court shall review the efforts of the responsible social service agency to place the child according to the preference in section 260.181, subdivision 3, and shall make findings regarding the sufficiency of those efforts at each stage of the court proceedings. If the court finds it in the best interests of the child, the court may also order the responsible social service agency to disclose necessary information to or make necessary inquiry of any person or agency that might be helpful in facilitating a placement according to the preference stated in section 260.181 or the federal Indian Child Welfare Act.

Sec. 12. Minnesota Statutes 1990, section 260.015, is amended by adding a subdivision to read:

Subd. 11a. [ADJUDICATED PARENT.] "Adjudicated parent" means:

(1) a person who has had paternity established under the parentage act, sections 257.51 to 257.74; or

(2) a person who was party to a proceeding under chapter 518 if the decree of dissolution of marriage found the child to be the issue of the marriage.

Sec. 13. Minnesota Statutes 1990, section 260.181, subdivision 3, is amended to read:

Subd. 3. [PROTECTION OF RACIAL OR ETHNIC HERITAGE, OR RELIGIOUS AFFILIATION BACKGROUND.] The policy of the state is to ensure that the best interests of children are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in foster care placements.

The court, in transferring legal custody of any child or appointing a guardian for the child under the laws relating to juvenile courts, shall place the child, in the following order of preference, in the absence of good cause to the contrary, in the legal custody or guardianship of an individual who (a) is the child's relative, or if that would be detrimental to the child or a relative is not available, who (b) is of the same racial or ethnic heritage as the child, or if that is not possible, who (c) is knowledgeable and appreciative of the child's racial or ethnic heritage. The court may require the county welfare agency to continue efforts to find a guardian of the child's ~~minority~~ racial or ~~minority~~ ethnic heritage when such a guardian is not immediately available. For purposes of this subdivision, "relative" includes members of a child's extended family and important friends with whom the child has resided or had significant contact *and persons with whom the family or child has a significant relationship or who belong to kinship groups as defined by the child's family or racial and ethnic community.* "Relative" does not include a nonrelative foster parent.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court

shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall order placement of the child with an individual who meets the genetic parent's religious preference. Only if no individual is available who is described in clause (a) or (b) may the court give preference to an individual described in clause (c) who meets the parent's religious preference.

Sec. 14. Minnesota Statutes 1990, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is in need of protection or services or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of the child's need for protection or services;

(2) transfer legal custody to one of the following:

(i) a child placing agency; or

(ii) the county welfare board;

(iii) a previously noncustodial mother or man presumed to be the biological father under section 257.55, provided that an award of custody to a previously noncustodial mother or presumed father is temporary, is subject to review on a regular basis, and expires after one year, and provided that this disposition can only be made if the petition under section 260.131 was filed by the county welfare board; or

(iv) a previously noncustodial adjudicated parent on a permanent basis upon filing of a petition or motion under section 518.156, subdivision 1, paragraph (a), clause (2), but only if the petition under section 260.131 was filed by the county welfare board.

(A) In making an award of custody under item (iv), the court shall consider all relevant factors set forth in section 518.17. An award of custody under item (iv) has the same meaning as a custody order under section 518.17, subdivision 2.

(B) If there has been a previous award of permanent custody, the court must apply the standards in section 518.18 and all the procedural requirements of section 518.18 must be met. For purposes of item (iv), an award of custody pursuant to item (iii) is not a previous award of permanent custody, but an adjudication of paternity prior to the commencement of proceedings under section 260.131 must be considered an award of permanent custody.

(C) An award of legal custody under item (iv) is the equivalent of an award under chapter 518. In making an award of legal custody to a previously noncustodial adjudicated parent, the court must make detailed findings on each of the factors in sections 257.025 and 518.17 and explain how its findings on the factors led to its conclusions and the determination of the best interests of the child.

(D) Any order issued under this section must provide for ongoing visitation

between parent and child, if any, and set any conditions the court deems reasonable regarding visitation. Any order under item (iv) under section 518.156 may be modified only under section 518.18.

(E) At the request of the proposed custodian the court shall make an order requiring that the cost of the child's care be covered by an order for child support payable by the child's parent and established pursuant to section 518.551, subdivision 5.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3, *or, if applicable, the federal Indian Child Welfare Act, except that the preference does not apply in a determination as to custody between parents:*

(3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails or is unable to provide this treatment or care, the court may order it provided. The court shall not transfer legal custody of the child for the purpose of obtaining special treatment or care solely because the parent is unable to provide the treatment or care. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board, after consultation with the court, has specifically authorized this dispositional alternative for a child.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed to operate a residential program under sections 245A.01 to 245A.16; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order

payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court.

Sec. 15. Minnesota Statutes 1990, section 260.191, subdivision 1a, is amended to read:

Subd. 1a. [WRITTEN FINDINGS.] Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered;

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case;

(c) ~~In the case of a child of minority racial or minority ethnic heritage,~~ How the court's disposition complies with the requirements of section 260.181, subdivision 3, *relating to protection of heritage or background*; and

(d) Whether reasonable efforts consistent with section 260.012 were made to prevent or eliminate the necessity of the child's removal and to reunify the family after removal. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal.

If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 16. Minnesota Statutes 1990, section 260.221, subdivision 1, is amended to read:

Subdivision 1. [VOLUNTARY AND INVOLUNTARY.] The juvenile court may, upon petition, terminate all rights of a parent to a child *or may order any other long-term disposition provided for in section 260.235* in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child. Abandonment is presumed when:

(i) the parent has had no contact or merely incidental contact with the child for six months in the case of a child under six years of age, or for 12 months in the case of a child ages six to 11; and

(ii) the social service agency has made reasonable efforts to facilitate contact, unless the parent establishes that an extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from making contact with the child. This presumption does not apply to children whose custody has been determined under chapter 257 or 518. The court is not prohibited from finding abandonment in the absence of this presumption; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and reasonable efforts by the social service agency have failed to correct the conditions that formed the basis of the petition; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that:

(i) the child was adjudicated in need of protection or services due to circumstances described in section 260.015, subdivision 2a, clause (1), (2), (3), (5), or (8); and

(ii) within the three-year period immediately prior to that adjudication, the parent's parental rights to one or more other children were involuntarily terminated under clause (1), (2), (4), or (7) of this paragraph, or under clause (5) of this paragraph if the child was initially determined to be in need of protection or services due to circumstances described in section 260.015, subdivision 2a, clause (1), (2), (3), (5), or (8); or

(5) That following upon a determination of neglect or dependency, or of a child's need for protection or services, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child under the age of 12 has resided out of the parental home under

court order for more than one year following an adjudication of dependency, neglect, need for protection or services under section 260.015, subdivision 2a, clause (1), (2), (6), (8), or (9), or neglected and in foster care, and an order for disposition under section 260.191, including adoption of the case plan required by section 257.071;

(ii) conditions leading to the determination will not be corrected within the reasonably foreseeable future; and

(iii) reasonable efforts have been made by the social service agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year after a child has been placed out of the home.

It is also presumed that reasonable efforts have failed under this clause upon a showing that:

(i) the parent has been diagnosed as chemically dependent by a professional certified to make the diagnosis;

(ii) the parent has been required by a case plan to participate in a chemical dependency treatment program;

(iii) the treatment programs offered to the parent were culturally, linguistically, and clinically appropriate;

(iv) the parent has either failed two or more times to successfully complete a treatment program or has refused at two or more separate meetings with a caseworker to participate in a treatment program; and

(v) the parent continues to abuse chemicals.

Provided, that this presumption applies only to parents required by a case plan to participate in a chemical dependency treatment program on or after July 1, 1990; or

(6) That the parent has been convicted of causing the death of another of the parent's children; or

(7) That in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(8) That the child is neglected and in foster care.

In an action involving an American Indian child, sections 257.35 to 257.3579 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to the extent that the provisions of this section are inconsistent with those laws.

Sec. 17. Minnesota Statutes 1990, section 260.235, is amended to read:

260.235 ~~DISPOSITION~~ DISPOSITIONS ; PARENTAL RIGHTS NOT TERMINATED.]

Subdivision 1. [CHILD IN NEED OF PROTECTION OR SERVICES OR NEGLECTED AND IN FOSTER CARE.] If, after a hearing, the court does not terminate parental rights but determines that the child is in need

Belanger	Day	Johnson, D.E.	McGowan	Pariseau
Benson, D.D.	Frederickson, D.R.	Johnston	Mehrkens	Renneke
Bernhagen	Gustafson	Knaak	Neuville	Terwilliger
Brataas	Halberg	Laidig	Olson	

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

CALL OF THE SENATE

Mr. Berg 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. 1609, which the committee recommends be re-referred to the Committee on Economic Development and Housing.

Mr. Finn moved that S.F. No. 1609 be referred to the Committee on Economic Development and Housing.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 35 and nays 30, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Hughes	Metzen	Sams
Belanger	Dicklich	Johnson, D.J.	Novak	Samuelson
Benson, J.E.	Finn	Johnson, J.B.	Olson	Solon
Berglin	Frederickson, D.J.	Kroening	Pappas	Spear
Bertram	Gustafson	Laidig	Pariseau	Stumpf
Brataas	Halberg	Langseth	Piper	Terwilliger
Chmielewski	Hottinger	Lessard	Riveness	Traub

Those who voted in the negative were:

Adkins	Day	Johnston	McGowan	Neuville
Benson, D.D.	DeCramer	Kelly	Mehrkens	Ranum
Berg	Flynn	Knaak	Merriam	Reichgott
Bernhagen	Frank	Larson	Moe, R.D.	Renneke
Cohen	Frederickson, D.R.	Luther	Mondale	Vickerman
Dahl	Johnson, D.E.	Marty	Morse	Waldorf

The motion prevailed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Solon introduced—

S.F. No. 1665: A bill for an act relating to retirement; state patrol retirement plan; eliminating an age-related limit on service credit; amending Minnesota Statutes 1990, section 352B.01, subdivision 3.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1666: A bill for an act relating to local government; amending various laws relating to contracts and conflicts of interest; amending Minnesota Statutes 1990, sections 412.311; 412.691; 471.345, subdivisions 3, 4, and by adding a subdivision; and 471.88, subdivision 5; repealing Minnesota Statutes 1990, section 471.88, subdivision 8.

Referred to the Committee on Local Government.

Messrs. Sams and Chmielewski introduced—

S.F. No. 1667: A bill for an act relating to lawful gambling; specifying that certain expenditures for recreational snowmobiling are lawful purposes; amending Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25.

Referred to the Committee on Gaming Regulation.

Mr. Samuelson introduced—

S.F. No. 1668: A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, section 204B.45, subdivisions 1 and 2.

Referred to the Committee on Elections and Ethics.

Messrs. Finn, Morse and Lessard introduced—

S.F. No. 1669: A bill for an act relating to watercraft; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Dicklich and Lessard introduced—

S.F. No. 1670: A bill for an act relating to education; restoring aid authorization and aid for late activity buses; amending Minnesota Statutes 1991 Supplement, sections 124.223, subdivision 1; 124.225, subdivision 1; and Laws 1991, chapter 265, article 2, section 19, subdivision 2.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 1671: A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

Referred to the Committee on Judiciary.

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~~ *may* be distributed proportionately to those breeds that have run during the preceding 12 months *or paid to the commission and used for purses or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 6, is amended to read:

Subd. 6. [SIMULCASTING.] 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 totalizator 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 subdivision 7 and section 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 June 5, 1991, 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. 3. Minnesota Statutes 1990, section 240.14, subdivision 3, is amended to read:

Subd. 3. [COUNTY FAIR RACING DAYS.] The commission may assign to a class D licensee the following racing days:

(1) those racing days, not to exceed ten racing days, that coincide with the days on which the licensee's county fair is running; and

(2) additional racing days, ~~not to exceed ten racing days, immediately before or after the days on which the licensee's county fair is running.~~

~~In no event shall the number of racing days assigned by the commission exceed 20 days.~~

~~The commission may not assign any days before July 1, 1989, as racing days to a class D licensee.~~

Sec. 4. Minnesota Statutes 1991 Supplement, 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) subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3.~~ 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. 5. Minnesota Statutes 1991 Supplement, section 240.18, is amended by adding a subdivision to read:

Subd. 3a. [OTHER CATEGORIES.] Available money apportioned to breeds other than breeds contained in subdivisions 2 and 3 shall be distributed as financial incentives to encourage horse racing and horse breeding for such breeds.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to horse racing; authorizing distribution from the breeders' fund for other breeds; removing limitations on fair racing days; amending Minnesota Statutes 1990, section 240.14, subdivision 3; Minnesota Statutes 1991 Supplement, sections 240.13, subdivisions 5 and 6; 240.15, subdivision 6; and 240.18, by adding a subdivision."

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1770: A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1931: A bill for an act relating to metropolitan government; providing funds for the operation and maintenance of metropolitan area regional parks; appropriating money.

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

Page 1, line 7, delete "\$3,000,000" and insert "\$"

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

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

S.F. No. 1909: A bill for an act relating to the treatment of juvenile offenders; establishing pilot projects for mental health and chemical dependency screening and treatment of juveniles in detention; appropriating money; amending Minnesota Statutes 1990, section 260.185, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 260.

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

Page 1, line 14, delete "*special*" and insert "*four*" and after "*programs*" insert "*in counties*"

Page 1, line 19, delete "*are authorized to*" and insert "*shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans,*"

Page 2, line 10, before "*professional*" insert "*mental health or chemical dependency*" and before the semicolon, insert ". *If the youth is of a minority race or minority ethnic heritage, the mental health or chemical dependency professional must be skilled in and knowledgeable about the youth's racial and ethnic heritage, or must consult with a special mental health or chemical dependency consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the youth's cultural needs*"

Page 2, line 31, after "*council*" insert "*established under section 245.4873, subdivision 3*"

Page 2, line 32, after "*council*" insert "*established under section 245.4875, subdivision 5*"

Page 3, line 6, delete the first "*and*" and insert a comma and after "*addressed*" insert ", *and treated*"

Page 3, line 32, after "*shall*" insert ", *in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans,*"

Page 4, line 7, delete "*attendance*" and insert "*performance*"

Page 4, line 21, delete "*impact of program on costs and*" and insert "*cost savings of the program and the impact on*"

Page 6, delete line 36

Page 7, delete lines 1 to 3

Page 7, line 4, delete "3" and insert "2"

Page 7, line 7, delete "*employment*" and insert "*intervention*"

Page 7, line 8, delete "268.29" and insert "268.30"

Page 7, line 9, delete "4" and insert "3"

Page 7, line 10, after "*to*" insert "*pay for out-of-home placement or to*"

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

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

S.F. No. 512: A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.201, 18.211 to 18.315, and 18.321 to 18.323.

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

Delete everything after the enacting clause and insert:

“Section 1. [18.75] [PURPOSE.]

It is the policy of the legislature that residents of the state be protected from the injurious effects of noxious weeds on public health, the environment, public roads, crops, livestock, and other property. Sections 2 to 14 contain procedures for controlling and eradicating noxious weeds on all lands within the state.

Sec. 2. [18.76] [CITATION.]

Sections 2 to 14 may be cited as the “Minnesota noxious weed law.”

Sec. 3. [18.77] {DEFINITIONS.}

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 2 to 14.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of agriculture or the authorized agents of the commissioner.

Subd. 3. [CONTROL.] “Control” means to destroy the aboveground growth of noxious weeds by a lawful method that prevents the maturation and spread of noxious weed propagating parts from one area to another.

Subd. 4. [ERADICATE.] “Eradicate” means to destroy the aboveground growth and the roots of noxious weeds by a lawful method that prevents the maturation and spread of noxious weed propagating parts from one area to another.

Subd. 5. [GROWING CROP.] “Growing crop” means an agricultural, horticultural, or forest crop that has been planted or regularly maintained and intended for harvest.

Subd. 6. [LAND.] “Land” means a parcel or tract of real estate including wetlands and public waters but not including buildings unless they are a place of business and open to the general public.

Subd. 7. [MUNICIPALITY.] “Municipality” means a home rule charter or statutory city or a township.

Subd. 8. [NOXIOUS WEED.] “Noxious weed” means an annual, biennial, or perennial plant that the commissioner designates to be injurious to public health, the environment, public roads, crops, livestock, or other property.

Subd. 9. [OCCUPANT.] “Occupant” means a person who uses land as a principal residence or who leases land or both.

Subd. 10. [PERMANENT PASTURE, HAY MEADOW, WOODLOT, AND OTHER NONCROP AREA.] "Permanent pasture, hay meadow, woodlot, and other noncrop area" means an area of predominantly native or seeded perennial plants that can be used for grazing or hay purposes but is not harvested on a regular basis and is not considered to be a growing crop.

Subd. 11. [PERSON.] "Person" means an individual, partnership, corporation, society, association, firm, public agency, or an agent for one of those entities.

Subd. 12. [PROPAGATING PARTS.] "Propagating parts" means plant parts, including seeds, that are capable of producing new plants.

Sec. 4. [18.78] [CONTROL OR ERADICATION OF NOXIOUS WEEDS.]

Subdivision 1. [GENERALLY.] Except as provided in section 11, a person owning land, a person occupying land, or a person responsible for the maintenance of public land shall control or eradicate all noxious weeds on the land at a time and in a manner ordered by the commissioner, the county agricultural inspector, or a local weed inspector.

Subd. 2. [CONTROL OF PURPLE LOOSESTRIFE.] An owner of non-federal lands underlying public waters or wetlands designated under section 103G.201 is not required to control or eradicate purple loosestrife below the ordinary high water level of the public water or wetland. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands designated under section 103G.201, except those located upon lands owned in fee title or managed by the United States. The officers, employees, agents, and contractors of the commissioner of natural resources may enter upon public waters and wetlands designated under section 103G.201 and, after providing notification to the occupant or owner of the land, may cross adjacent lands as necessary for the purpose of investigating purple loosestrife infestations, formulating methods of eradication, and implementing control and eradication of purple loosestrife. The commissioner, after consultation with the commissioner of agriculture, shall, by June 1 of each year, compile a priority list of purple loosestrife infestations to be controlled in designated public waters. The commissioner of agriculture must distribute the list to county agricultural inspectors, local weed inspectors, and their appointed agents. The commissioner of natural resources shall control listed purple loosestrife infestations in priority order within the limits of appropriations provided for that purpose. This procedure shall be the exclusive means for control of purple loosestrife on designated public waters by the commissioner of natural resources and shall supersede the other provisions for control of noxious weeds set forth elsewhere in chapter 18. The responsibility of the commissioner of natural resources to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter upon private lands ends ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes all responsibility for control and eradication of purple loosestrife under sections 4 to 14. State officers, employees, agents, and contractors of the commissioner of natural resources are not liable in a civil action for trespass committed in the discharge of their duties under this section and are not liable to anyone for damages, except for damages arising from gross negligence.

Sec. 5. [18.79] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [ENFORCEMENT.] The commissioner of agriculture shall administer and enforce sections 2 to 14.

Subd. 2. [AUTHORIZED AGENTS.] The commissioner shall authorize department of agriculture personnel and may authorize, in writing, county agricultural inspectors to act as agents in the administration and enforcement of sections 2 to 14.

Subd. 3. [ENTRY UPON LAND.] To administer and enforce sections 2 to 14, the commissioner, authorized agents of the commissioner, county agricultural inspectors, and local weed inspectors may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Subd. 4. [RULES.] The commissioner may make necessary rules for the proper enforcement of sections 2 to 14. The commissioner may designate the plants that are noxious by commissioner's order. The commissioner's orders under this subdivision are not subject to chapter 14.

Subd. 5. [ORDER FOR CONTROL OR ERADICATION OF NOXIOUS WEEDS.] The commissioner, a county agricultural inspector, or a local weed inspector may order the control or eradication of noxious weeds on any land within the state.

Subd. 6. [EDUCATIONAL PROGRAMS FOR CONTROL OR ERADICATION OF NOXIOUS WEEDS.] The commissioner shall conduct education programs considered necessary for weed inspectors in the enforcement of the noxious weed law. The director of the Minnesota extension service may conduct educational programs for the general public that will aid compliance with the noxious weed law.

Subd. 7. [MEETINGS AND REPORTS.] The commissioner shall designate by rule the reports that are required to be made and the meetings that must be attended by weed inspectors.

Subd. 8. [PRESCRIBED FORMS.] The commissioner shall prescribe the forms to be used by weed inspectors in the enforcement of sections 2 to 14.

Subd. 9. [INJUNCTION.] If the commissioner applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 2 to 14, the injunction may be issued without requiring a bond.

Subd. 10. [PROSECUTION.] On finding that a person has violated sections 2 to 14, the commissioner may start court proceedings in the locality in which the violation occurred. The county attorney may prosecute actions under sections 2 to 14 within his or her jurisdiction.

Subd. 11. [QUARANTINE.] The commissioner may establish a noxious weed quarantine according to section 11 and may hire additional employees and purchase the necessary equipment, supplies, or services to properly carry out the eradication of noxious weeds on quarantined land.

Sec. 6. [18.80] [INSPECTORS; EXPENSES.]

Subdivision 1. [COUNTY AGRICULTURAL INSPECTORS.] The county board shall appoint one or more county agricultural inspectors that meet the qualifications prescribed by rule. The appointment must be for a period of time which is sufficient to accomplish the duties assigned to this position.

A notice of the appointment must be delivered to the commissioner within ten days of the appointment and it must establish the initial number of hours to be worked annually.

Subd. 2. [LOCAL WEED INSPECTORS.] The supervisors of each town board and the mayor of each city shall act as local weed inspectors within their respective municipalities.

Subd. 3. [ASSISTANT WEED INSPECTORS.] A municipality may appoint one or more assistants to act on behalf of the appointing authority as a weed inspector for the municipality. The appointed assistant or assistants have the power, authority, and responsibility of the town board members or the city mayor in the capacity of weed inspector.

Sec. 7. [18.81] [DUTIES OF INSPECTORS.]

Subdivision 1. [COUNTY AGRICULTURAL INSPECTORS.] It is the duty of county agricultural inspectors:

(1) to see that sections 2 to 14 and rules adopted under those sections are carried out within their jurisdiction;

(2) to see that sections 21.80 to 21.92 and rules adopted under those sections are carried out within their jurisdiction;

(3) to see that sections 21.71 to 21.78 and rules adopted under those sections are carried out within their jurisdiction;

(4) to participate in the control programs for feed, fertilizer, pesticide, and insect pests when requested, in writing, to do so by the commissioner;

(5) to participate in other agricultural programs under the control of the commissioner when requested to do so, subject to veto by the county board;

(6) to administer the distribution of funds allocated by the county board to the county agricultural inspector for noxious weed control and eradication within the county;

(7) to submit reports and attend meetings that the commissioner requires; and

(8) to publish a general weed notice of the legal duty to control noxious weeds in one or more legal newspapers of general circulation throughout the county.

Subd. 2. [LOCAL WEED INSPECTORS.] Local weed inspectors shall:

(1) examine all lands, including highways, roads, alleys, and public ground in the territory over which their jurisdiction extends to ascertain if section 4 and related rules have been complied with;

(2) see that the control or eradication of noxious weeds is carried out in accordance with section 9 and related rules;

(3) issue permits in accordance with section 8 and related rules for the transportation of materials or equipment infested with noxious weed propagating parts; and

(4) submit reports and attend meetings that the commissioner requires.

Subd. 3. [NONPERFORMANCE BY INSPECTORS; REIMBURSEMENT FOR EXPENSES.] (a) If local weed inspectors neglect or fail to do their duty as prescribed in this section, the commissioner shall issue a notice to the inspector providing instructions on how and when to do their duty.

If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector may perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector doing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality shall immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

(b) If a county agricultural inspector fails to perform the duties as prescribed in this section, the commissioner shall issue a notice to the inspector providing instructions on how and when to do that duty.

(c) The commissioner shall by rule establish procedures to carry out the enforcement actions for nonperformance required by this subdivision.

Sec. 8. [18.82] [TRANSPORTATION OF NOXIOUS WEED PROPAGATING PARTS IN INFESTED MATERIAL OR EQUIPMENT.]

Subdivision 1. [PERMITS.] Except as provided in section 21.74, if a person wants to transport along a public highway materials or equipment containing the propagating parts of weeds designated as noxious by the commissioner, the person must secure a written permit for transportation of the material or equipment from a local weed inspector or county agricultural inspector. Inspectors may issue permits to persons residing or operating within their jurisdiction. If the noxious weed propagating parts are removed from materials and equipment or devitalized before being transported, a permit is not needed.

Subd. 2. [CONDITIONS OF PERMIT ISSUANCE.] The following conditions must be met before a permit under subdivision 1 may be issued:

(1) any material or equipment containing noxious weed propagating parts that is about to be transported along a public highway must be in a container that is sufficiently tight and closed or otherwise covered to prevent the blowing or scattering of the material along the highway or on other lands or water; and

(2) the destination for unloading and the use of the material or equipment containing noxious weed propagating parts must be stated on the permit along with the method that will be used to destroy the viability of the propagating parts and thereby prevent their being dumped or scattered upon land or water.

Subd. 3. [DURATION OF PERMIT; REVOCATION.] A permit under subdivision 1 is valid for up to one year after the date it is issued unless otherwise specified by the weed inspector issuing the permit. The permit may be revoked if a county agricultural inspector or local weed inspector determines that the applicant has not complied with this section.

Sec. 9. [18.83] [CONTROLLING OR ERADICATING NOXIOUS WEEDS; NOTICES; EXPENSES.]

Subdivision 1. [GENERAL WEED NOTICE.] A general notice for noxious weed control or eradication must be published on or before May 15 of each year and at other times the commissioner directs. Failure of the county

agricultural weed inspector to publish the general notice does not relieve a person from the necessity of full compliance with sections 2 to 14 and related rules. The published notice is legal and sufficient notice when an individual notice cannot be served.

Subd. 2. [INDIVIDUAL NOTICE.] A weed inspector may find it necessary to secure more prompt or definite control or eradication of noxious weeds than is accomplished by the published general notice. In these special or individual instances, involving one or a limited number of persons, the weed inspector having jurisdiction shall serve individual notices in writing upon the person who owns the land and the person who occupies the land, or the person responsible for or charged with the maintenance of public land, giving specific instructions on when and how named noxious weeds are to be controlled or eradicated. Individual notices provided for in this section must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on a person living temporarily or permanently outside of the weed inspector's jurisdiction may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Subd. 3. [APPEAL OF INDIVIDUAL NOTICE; APPEAL COMMITTEE.] (1) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector who issued the notice within five working days, either agreeing, disagreeing, or revising the order. The decision may be appealed in district court. If the committee agrees or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

(2) The county board of commissioners shall appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor.

Subd. 4. [CONTROL OR ERADICATION BY INSPECTOR.] If a person does not comply with an individual notice served on the person or an individual notice cannot be served, the weed inspector having jurisdiction shall have the noxious weeds controlled or eradicated within the time and in the manner the weed inspector designates.

Subd. 5. [CONTROL OR ERADICATION BY INSPECTOR IN GROWING CROP.] A weed inspector may consider it necessary to control or eradicate noxious weeds along with all or a part of a growing crop to prevent the maturation and spread of noxious weeds within the inspector's jurisdiction. If this situation exists, the weed inspector may have the noxious weeds controlled or eradicated together with the crop after the appeal committee has reviewed the matter as outlined in subdivision 3 and reported back agreement with the order.

Subd. 6. [AUTHORIZATION FOR PERSON HIRED TO ENTER UPON LAND.] The weed inspector may hire a person to control or eradicate noxious weeds if the person who owns the land, the person who occupies the land, or the person responsible for the maintenance of public land has failed to

comply with an individual notice or with the published general notice when an individual notice cannot be served. The person hired must have authorization, in writing, from the weed inspector to enter upon the land.

Subd. 7. [EXPENSES; REIMBURSEMENTS.] A claim for the expense of controlling or eradicating noxious weeds, which may include the costs of serving notices, is a legal charge against the county in which the land is located. The officers having the work done must file with the county auditor a verified and itemized statement of cost for all services rendered on each separate tract or lot of land. The county auditor shall immediately issue proper warrants to the persons named on the statement as having rendered services. To reimburse the county for its expenditure in this regard, the county auditor shall certify the total amount due and, unless an appeal is made in accordance with section 10, enter it on the tax roll as a tax upon the land and it must be collected as other real estate taxes are collected.

If public land is involved, the amount due must be paid from funds provided for maintenance of the land or from the general revenue or operating fund of the agency responsible for the land. Each claim for control or eradication of noxious weeds on public lands must first be approved by the commissioner of agriculture.

Sec. 10. [18.84] [LIABILITY; APPEALS.]

Subdivision 1. [COUNTIES AND MUNICIPALITIES.] Counties and municipalities are not liable for damages from the noxious weed control program for actions conducted in accordance with sections 2 to 14.

Subd. 2. [APPEAL TO COUNTY BOARD.] A person who is ordered to control noxious weeds under sections 2 to 14 and is charged for noxious weed control may appeal the cost of noxious weed control to the county board of the county where the noxious weed control measures were undertaken within 30 days after being charged. The county board shall determine the amount and approve the charge and filing of a lien against the property if it determines that the owner, or occupant if other than the owner, responsible for controlling noxious weeds did not comply with the order of the inspector.

Subd. 3. [COURT APPEAL OF COSTS; PETITION.] (a) A landowner who has appealed the cost of noxious weed control measures under subdivision 2 may petition for judicial review. The petition must be filed within 30 days after the conclusion of the hearing before the county board. The petition must be filed with the court administrator in the county in which the land where the noxious weed control measures were undertaken is located, together with proof of service of a copy of the petition on the commissioner and the county auditor. No responsive pleadings may be required of the commissioner or the county, and no court fees may be charged for the appearance of the commissioner or the county in this matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner of agriculture and respective county as respondents. The petition must include the petitioner's name, the legal description of the land involved, a copy of the notice to control noxious weeds, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

Subd. 4. [HEARING.] (a) A hearing under subdivisions 3 to 5 must be held at the earliest practicable date, and in no event later than 90 days following the filing of the petition of objection. The hearing must be before a district judge in the county in which the land where the noxious weed control measures were undertaken is located, and must be conducted in accordance with the district court rules of civil procedure.

(b) The court shall either order that a lien representing part or all of the costs for noxious weed control measures be imposed against the land or that the landowner be relieved of responsibility for payment of noxious weed control measures undertaken.

Subd. 5. [FURTHER APPEAL.] A party aggrieved by the decision of the reviewing court may appeal the decision as provided in the rules of appellate procedure.

Sec. 11. [18.85] [NOXIOUS WEED QUARANTINE.]

Subdivision 1. [NEED FOR QUARANTINE.] If there is an infestation of noxious weeds beyond the ability of the person who owns or occupies the land to eradicate it, the commissioner may, upon request of the person who owns the land or on the commissioner's own initiative, take necessary steps to prevent the further spread of the weed. To this end, the commissioner may quarantine a tract of land that is infested and put into operation the necessary means for the eradication of the weed; provided that the county and municipality in which the land is located must approve of the quarantine before it can be initiated.

Subd. 2. [NOTICE OF QUARANTINE.] The commissioner, upon entering a tract of land for the purpose of this section, shall notify in writing the persons who own or occupy the land of the entry and quarantine. If the necessary means of eradication have been completed, the commissioner shall notify, in writing, the persons who own or occupy the land that the quarantine effort is complete.

Subd. 3. [EXPENSES.] The expenses for eradication of noxious weeds on quarantined land must be paid by the commissioner from the funds provided for this purpose.

Counties, municipalities, and owners or occupants must reimburse the commissioner before January 1 of each year. The county shall pay 20 percent of the expenses, the municipality shall pay ten percent, and the owner or occupant shall pay ten percent.

Sec. 12. [18.86] [UNLAWFUL ACTS.]

No person may:

(1) hinder or obstruct in any way the commissioner, the commissioner's authorized agents, county agricultural inspectors, or local weed inspectors in the performance of their duties as provided in sections 2 to 14 or related rules;

(2) neglect, fail, or refuse to comply with section 8 or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screenings permit issued in accordance with section 21.74;
or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 13. [18.87] [PENALTY.]

A violation of section 12 or a rule adopted under that section is a misdemeanor. County agricultural inspectors, local weed inspectors, or their appointed assistants are not subject to the penalties of this section for failure, neglect, or refusal to perform duties imposed on them by sections 2 to 14.

Sec. 14. [18.88] [NOXIOUS WEED PROGRAM FUNDING.]

Subdivision 1. [COUNTY.] The county board shall pay, from the general revenue or other fund for the county, the expenses for the county agricultural inspector position, for noxious weed control or eradication on all land owned by the county or on land that the county is responsible for the maintenance of, for the expenses of the appeal committee, and for necessary expenses as required for quarantines within the county.

Subd. 2. [MUNICIPALITY.] The municipality shall pay, from the general revenue or other fund for the municipality, the necessary expenses of the local weed inspector in the performance of duties required for quarantines within the municipality, and for noxious weed control or eradication on land owned by the municipality or on land for which the municipality is responsible for its maintenance.

Sec. 15. [REPEALER.]

Minnesota Statutes 1990, sections 18.171; 18.181; 18.182; 18.189; 18.192; 18.201; 18.211; 18.221; 18.231; 18.241; 18.251; 18.261; 18.271; 18.272; 18.281; 18.291; 18.301; 18.311; 18.312; 18.315; 18.321; 18.322; and 18.323; and Minnesota Statutes 1991 Supplement, section 18.191, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective January 1, 1993."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.189; 18.192; 18.201; 18.211 to 18.315; and 18.321 to 18.323; Minnesota Statutes 1991 Supplement, section 18.191."

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

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

S.F. Nos. 2047, 2114, 2134 and 2174 reports the same back with the recommendation that the bills be re-referred as follows:

S.F. No. 2047 to the Committee on Environment and Natural Resources.

S.F. No. 2114 to the Committee on Finance.

S.F. No. 2134 to the Committee on Judiciary.

S.F. No. 2174 to the Committee on Taxes and Tax Laws.

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 and be re-referred to the Committee on Metropolitan Affairs. Report adopted.

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

S.F. No. 1750: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating and allocating motor vehicle excise tax proceeds to highway and transit purposes; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 174.32; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XIV, section 12, will read:

Sec. 12. The Minnesota mobility trust fund is created. The proceeds of the tax levied on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, that is required to be registered under the laws of this state must be credited to the Minnesota mobility trust fund and apportioned to the surface transportation fund and the transit assistance fund according to the following schedule:

(1) for the fiscal biennium ending June 30, 1995, 40 percent to the Minnesota mobility trust fund for apportionment as follows: 60 percent to the surface transportation fund and 40 percent to the transit assistance fund;

(2) for the fiscal biennium ending June 30, 1997, 70 percent to the Minnesota mobility trust fund for apportionment as follows: 75 percent to the surface transportation fund and 25 percent to the transit assistance fund; and

(3) after June 30, 1997, 100 percent to the Minnesota mobility trust fund for apportionment as follows: not less than 25 percent to the transit assistance fund and the remainder to the surface transportation fund.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1992 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to dedicate proceeds of the motor vehicle excise tax, over a five-year period, to the Minnesota mobility trust fund with at least 25 percent apportioned to the transit assistance fund and the remainder apportioned to the surface transportation fund?

Yes
No”

Election procedures shall be as provided by law.

Sec. 3. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3, is amended to read:

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 deposited in the trust fund under ~~sections section 297A.44 and 297B.09~~ and other law; and
- (2) the payments authorized by law to be made out of the trust.

If the estimated payments exceed the estimated receipts of the trust fund, the appropriations from the trust to each program are proportionately reduced, unless otherwise provided by law.

If the estimated receipts of the trust fund exceed the estimated payments by \$1,000,000 or more, the appropriation from the trust fund to each intergovernmental aid program is increased proportionately. The aid paid to each local government under the program is 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 trust fund, the commissioner may at other times estimate the amount of receipts or payments and reduce or restore the appropriations under paragraph (a).

Sec. 4. Minnesota Statutes 1990, section 160.02, subdivision 7, is amended to read:

Subd. 7. [ROAD OR HIGHWAY.] “Road” or “highway” is a corridor designed primarily for the efficient transportation of people and goods and includes, unless otherwise specified, the several kinds of highways as defined in this section, including roads designated as minimum-maintenance roads, and also cartways, together with all bridges or other structures thereon which form a part of the same.

Sec. 5. Minnesota Statutes 1990, section 160.02, is amended by adding a subdivision to read:

Subd. 16. [CITY.] Notwithstanding section 410.015, "city" includes both statutory and home rule charter cities.

Sec. 6. [161.087] [HIGHWAY PURPOSES.]

(a) Revenues derived from the taxes imposed under chapters 168 and 296 and deposited in the highway user tax distribution fund may be used for highway projects, including public transit projects in highway corridors, that are designed to:

(1) maximize federal matching funds available under the federal Intermodal Surface Transportation Efficiency Act of 1991;

(2) contribute to attaining the congestion mitigation and ambient air quality standards of the federal Clean Air Act;

(3) relieve congestion and expedite travel;

(4) conserve energy; and

(5) reduce highway damage and other costs of highway use.

The uses in clauses (1) to (5) are deemed to be for highway purposes.

(b) "Public transit" means transit facilities available to the general public and includes the real property, equipment, and improvements used, constructed, operated, or maintained to provide transit facilities.

Sec. 7. Minnesota Statutes 1990, section 162.02, subdivision 8, is amended to read:

Subd. 8. [APPROVAL BY CITY.] No portion of the county state-aid highway system lying within the corporate limits of any city shall be constructed, reconstructed, or improved nor the grade thereof changed ~~without the prior approval of the plans by the governing body of such city and the approval shall be in the manner and form required by the commissioner unless~~ (1) the action has been approved by the city council of the city in which the portion lies, in the manner and form prescribed by the commissioner, or (2) the action has been authorized by the commissioner as provided in subdivision 8a.

Sec. 8. Minnesota Statutes 1990, section 162.02, is amended by adding a subdivision to read:

Subd. 8a. [REVIEW COMMITTEE.] (a) If a county proposes to abandon, change, revoke, construct, reconstruct, improve, or change the grade of a portion of a county state-aid highway lying within a city, and the city has refused to approve the action as provided in subdivision 8 or 10, the county may refer the dispute to the commissioner for resolution. A county may not refer a dispute for resolution under this section until one year from the date the action was submitted to the city council for approval. On receiving a request for dispute resolution, the commissioner shall establish a review committee consisting of the following five members:

(1) one county commissioner and one county engineer, both appointed by the commissioner from the membership of the county state-aid advisory committee established in subdivision 2;

(2) one city council member and one city engineer, both appointed by the commissioner from the membership of the municipal state-aid rules advisory

committee established in section 162.09, subdivision 2; and

(3) the department of transportation state-aid engineer or the state-aid engineer's designee.

(b) Within 30 days of its establishment and after notice to the affected city and county and to the commissioner, the review committee shall hold at least one public hearing on the disputed action. At the completion of its hearings, the review committee shall make a recommendation to the commissioner. Within ten days of receiving the review committee's recommendation, the commissioner shall issue an order (1) authorizing the action, (2) authorizing the action as modified by the commissioner, or (3) refusing to authorize the action. A county may not proceed with an action referred to the commissioner under this subdivision except in accordance with the commissioner's order.

Sec. 9. Minnesota Statutes 1990, section 162.02, subdivision 10, is amended to read:

Subd. 10. [ABANDONMENT OR REVOCATION.] County state-aid highways may be abandoned, changed, or revoked by joint action of the county board and the commissioner. If a county state-aid highway is established or located within the limits of a city, it shall not be abandoned, changed, or revoked without the concurrence of the governing body of such city; provided, that ~~any county state-aid highway established or located within a city may be abandoned, or revoked without concurrence if the city refuses or neglects for a period of one year after submittal to approve plans for the construction of such highway which plans conform to the construction standards provided in the commissioner's rules a county may refer a city's refusal to approve of an abandonment, change, or revocation to the commissioner for resolution as provided in subdivision 8a.~~

Sec. 10. Minnesota Statutes 1990, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

(2) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(3) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total ~~miles existing lane-miles~~ of approved county state-aid highways bears to the total ~~miles existing lane-miles~~ of approved statewide county state-aid highways.

(4) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive

of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 11. Minnesota Statutes 1990, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage *in lane-miles* of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of ~~nine county engineers. The board shall be so selected that each one county engineer appointed shall be from a different~~ *from each state highway construction district and one county engineer as a permanent representative from each urban county, as defined in section 162.07, subdivision 4.* No county engineer *appointed to represent a state highway construction district* shall be appointed so as to serve consecutively for more than two years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's *lane* mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the *lane* mileage of each system and the money needs of each county shall be made by the commissioner.

Sec. 12. Minnesota Statutes 1990, section 162.07, subdivision 6, is amended to read:

Subd. 6. [ESTIMATES TO BE MADE IF INFORMATION NOT PROVIDED.] In the event that any county shall fail to submit the information provided for herein, the commissioner shall estimate the *lane* mileage and the money needs of the county. The estimate shall be used in determining the apportionment formula. The commissioner may withhold payment of the amount apportioned to the county until the information is submitted.

Sec. 13. Minnesota Statutes 1990, section 162.09, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is created a municipal state-aid street system within cities having a population of 5,000 or more. The extent of the municipal state-aid street system shall not exceed ~~2,500~~ *3,000* miles, plus the mileage of all trunk highways reverted or turned back to the jurisdiction of cities pursuant to law on and after July 1, 1965. The system shall be established, located, constructed, reconstructed, improved, and maintained as public highways within such cities under rules, not inconsistent with this section, made and promulgated by the commissioner as hereinafter provided.

Sec. 14. Minnesota Statutes 1990, section 162.09, subdivision 4, is amended to read:

Subd. 4. ~~FEDERAL CENSUS TO BE CONCLUSIVE POPULATION DETERMINATION.~~ (a) In determining whether any city has a population of 5,000 or more, the ~~last federal census population established by the most recent federal census, by a special census conducted under contract with the United States Bureau of the Census, by a population estimate made by the metropolitan council, or by a population estimate of the state demographer made pursuant to section 4A.02, whichever is the most recent as to the stated date of the count or estimate for the preceding calendar year,~~ shall be conclusive.

(b) A city that has previously been classified as having a population of 5,000 or more for the purposes of chapter 162 and whose population decreases by less than 15 percent from the census figure that last qualified the city for inclusion shall ~~receive the following percentages of its 1981 apportionment for the years indicated: 1982, 66 percent and 1983, for the two years following the last year the city qualified for inclusion, receive the following percentages of its last apportionment: in the first year, 66 percent and in the second year, 33 percent.~~ Thereafter the city shall not receive any apportionment from the municipal state-aid street fund unless its population is determined to be 5,000 or over by a ~~federal census in paragraph (a).~~ ~~The governing body of the city may contract with the United States Bureau of the Census to take one special census before January 1, 1986.~~ A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. ~~The special census shall remain in effect until the 1990 federal census is completed and filed. The expense of taking the special census shall be paid by the city.~~

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next ~~federal~~ census.

Sec. 15. Minnesota Statutes 1990, section 162.13, subdivision 3, is amended to read:

Subd. 3. ~~[SCREENING COMMITTEE.]~~ On or before September 1 of each year, the engineer of each city having a population of 5,000 or more shall forward to the commissioner on forms prepared by the commissioner, all information relating to the money needs of the city that the commissioner deems necessary in order to apportion the municipal state-aid street fund in accordance with the apportionment formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board of city engineers. The board shall be composed of *two engineers from the state highway construction district in the metropolitan area, as defined in section 473.121, subdivision 2, one engineer from each state highway construction district outside the metropolitan area, and in addition thereto, one engineer from each city of the first class.* The board shall investigate and review the information submitted by each city. On or before November 1 of each year, the board shall submit its findings and recommendations in writing as to each city's money needs to the commissioner on a form prepared by the commissioner. Final determination of the money needs of each city shall be made by the commissioner. In the event that any city shall fail to submit the information provided for herein, the commissioner shall estimate the

money needs of the city. The estimate shall be used in solving the apportionment formula. The commissioner may withhold payment of the amount apportioned to the city until the information is submitted.

Sec. 16. Minnesota Statutes 1990, section 162.155, is amended to read:
162.155 [RULES.]

The commissioner shall adopt rules, ~~no later than January 1, 1980,~~ in accordance with ~~sections 15.041 to 15.052, chapter 14~~ setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules shall include, but are not limited to, economic, engineering and safety guidelines. ~~The engineering standards adopted pursuant to section 162.07, subdivision 2, or 162.13, subdivision 2, shall be adopted pursuant to the requirements of chapter 15 by July 1, 1980.~~

Sec. 17. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 9. [METROPOLITAN PROJECT PRIORITY.] The commissioner and the metropolitan planning organization established by section 473.123, shall give priority to projects in highway corridors in the metropolitan area defined in section 473.121, subdivision 2, that are for the highway purposes under section 6, and that maximize the following goals of the state transportation system: a reasonable travel time for commuters; increased high-occupancy vehicle use; and increased public transit use in the urban areas by giving highest priority to the transportation modes projected to move the greatest number of people.

Sec. 18. Minnesota Statutes 1990, section 174.23, is amended by adding a subdivision to read:

Subd. 9. [STATE TRANSIT SYSTEM AND PLAN.] By January 1, 1996, the commissioner shall provide a comprehensive, coordinated public transit system serving every county of the state. By January 1, 1993, the commissioner shall submit a plan to the legislature to implement coordinated statewide public transit service.

Sec. 19. Minnesota Statutes 1990, section 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) The transit assistance fund receives money ~~distributed under section 297B.09~~ from the Minnesota mobility trust fund as provided in the Minnesota Constitution, article 14, section 12. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).

(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more

than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall submit the applications to the regional transit board for approval. The commissioner may distribute funds only with the approval of the board. Before approving any application for funds for construction, the board shall report to the legislature on the use and planned distribution of construction funds.

Sec. 20. [174.60] [MINNESOTA MOBILITY TRUST FUND.]

Subdivision 1. [COMPOSITION.] The Minnesota mobility trust fund shall consist of the proceeds of the motor vehicle excise tax as provided in the Minnesota Constitution, article 14, section 12; money received from the federal government or any other public or private source; and any other money otherwise allotted, appropriated, or legislated to the fund.

Subd. 2. [INVESTMENT OF THE MINNESOTA MOBILITY TRUST FUND.] Upon the request of the commissioner, money in the Minnesota mobility trust fund shall be invested by the state board of investment in those securities authorized for that purpose in section 11A.21. All interest and profits from the investments shall be credited to the Minnesota mobility trust fund. The state treasurer shall be the custodian of all securities purchased under this section.

Sec. 21. [174.65] [SURFACE TRANSPORTATION FUND.]

Subdivision 1. [ESTABLISHMENT.] The surface transportation fund is created in the state treasury consisting of money from the Minnesota mobility trust fund as provided in the Minnesota Constitution, article 14, section 12.

Subd. 2. [USES OF FUND.] Money in the surface transportation fund may be expended by appropriation for:

(1) activities of the commissioner of public safety relating to (i) driver licensing, (ii) motor vehicle registration and licensing, (iii) the accident reporting system, and (iv) the state patrol;

(2) activities of the commissioner of transportation relating to oversize and overweight permits, including the cost of necessary highway maintenance and preservation related to granting those permits;

(3) activities of the commissioner of transportation related to junkyard screening and control of outdoor advertising devices;

(4) activities of the transportation regulation board related to motor carrier regulation;

(5) repayment of money borrowed for new buildings, and improvements to existing buildings, of the department of transportation;

(6) railroad grade crossing protection studies, grade crossing inventories, and grade crossing public education;

(7) activities of the transportation study board;

(8) improvements and maintenance of trunk highways;

(9) improvements and maintenance of county state-aid highways;

(10) improvements and maintenance of municipal state-aid streets;

(11) construction and reconstruction of key bridges on the state transportation system;

(12) programs to improve highway safety;

(13) planning and engineering design for transit services and facilities;

(14) capital assistance to purchase or refurbish transit vehicles, and other capital expenditures necessary to transit service; and

(15) other assistance for public transit services that furthers the purposes of section 174.21.

Subd. 3. [DISTRIBUTION.] The amount remaining in the surface transportation fund after the legislature has made appropriations for the purposes in subdivision 2, clauses (1) to (7), must be allocated on the basis of the population of each state highway construction district, as determined by the last federal decennial census. Of the money allocated within a district, 38 percent shall be available for eligible projects proposed by counties and cities having a population greater than 5,000 in the district.

Sec. 22. 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~~ 1992, gasoline is taxed at the rate of ~~20~~ 25 cents per gallon.

Sec. 23. [297B.095] [ALLOCATION OF REVENUE.]

Subdivision 1. [GENERAL FUND AND MINNESOTA MOBILITY TRUST FUND SHARE.] Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund or to the Minnesota mobility trust fund as provided in this section. Money credited to the Minnesota mobility trust fund must be transferred from the Minnesota mobility trust fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

Subd. 2. [DISTRIBUTION.] (a) Forty percent of the money collected and received under this chapter after June 30, 1993, and before July 1, 1995, must be credited to the Minnesota mobility trust fund and transferred to the surface transportation fund and transit assistance for apportionment as follows: 60 percent must be transferred to the surface transportation fund and 40 percent must be transferred to the transit assistance fund.

(b) Seventy percent of the money collected and received under this chapter after June 30, 1995, and before July 1, 1997, must be credited to the Minnesota mobility trust fund and transferred to the surface transportation fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the surface transportation fund for the same purposes as other money in that fund and 25 percent must be transferred to the transit assistance fund.

(c) One hundred percent of the money collected and received under this chapter after July 1, 1997, must be credited to the Minnesota mobility trust fund for apportionment as follows: at least 25 percent must be transferred to the transit assistance fund and the remainder to the surface transportation fund.

Sec. 24. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the references to "section 297B.09" and "section 297B.09, subdivision 1," in Minnesota Statutes, sections 168.27, subdivision 16, 174.32, subdivision 2, 297B.031, and 297B.035, subdivision 2, to "section 297B.095."

Sec. 25. [NONSEVERABILITY.]

Sections 6 and 22 are not severable. If any provision of section 6 or 22 is held invalid, sections 6 and 22 are without effect.

Sec. 26. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 161.041 and 297B.09, are repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 3, 19 to 21, 23, 24, and 26 are effective on the date the constitutional amendment proposed in section 1 is adopted by the people of Minnesota. Section 22 is effective May 1, 1992.

ARTICLE 2

Section 1. [ISSUANCE OF STATE TRANSPORTATION BONDS.]

On the request of the commissioner of transportation, the commissioner of finance shall issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, section 174.51, subdivision 1, in the aggregate principal amount of \$60,000,000 in the manner and on the conditions prescribed in Minnesota Statutes, section 174.51, and in article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, section 174.51, subdivision 5, must be deposited in the Minnesota state transportation fund for expenditure in accordance with section 2 and with Minnesota Statutes, section 174.50.

Sec. 2. [APPROPRIATION AND DISTRIBUTION OF PROCEEDS.]

Subdivision 1. [APPROPRIATION.] \$60,000,000, or as much of that sum as the commissioner of transportation determines is needed, is appropriated from the Minnesota state transportation fund to the commissioner of transportation. The commissioner shall spend this sum as grants to political subdivisions for the construction and reconstruction of key bridges on the state transportation system. This appropriation is available until spent.

Subd. 2. [ALLOCATION.] The commissioner shall not spend more than \$30,000,000 of this appropriation in any fiscal year. Total grants in any fiscal year may not exceed the following limits:

- (1) to counties, \$16,100,000;*
- (2) to cities, \$6,500,000; and*
- (3) to towns, \$7,400,000.*

Subd. 3. [USES.] Political subdivisions may use grants made under this section for purposes of construction and reconstruction of bridges,

including:

(1) matching federal-aid grants for the construction or reconstruction of key bridges;

(2) paying the costs of abandoning an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

ARTICLE 3

Section 1. [ISSUANCE OF STATE TRANSPORTATION BONDS.]

On the request of the commissioner of transportation, the commissioner of finance shall issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, section 174.51, subdivision 1, in the aggregate principal amount of \$37,553,000 in the manner and on the conditions prescribed in Minnesota Statutes, section 174.51, and in article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, section 174.51, subdivision 5, must be deposited in the Minnesota state transportation fund for expenditure in accordance with section 2 and with Minnesota Statutes, section 174.50.

Sec. 2. [APPROPRIATION AND DISTRIBUTION OF PROCEEDS.]

Subdivision 1. [APPROPRIATION.] \$37,553,000, or as much of that sum as the commissioner of transportation determines is needed, is appropriated from the Minnesota state transportation fund to the commissioner of transportation. The commissioner shall spend this sum to take advantage of federal aid appropriated for special projects in the federal Intermodal Surface Transportation Efficiency Act of 1991 and the Fiscal Year 1992 Department of Transportation and Related Agencies Act. This appropriation is available until spent.

Subd. 2. [ALLOCATION.] The commissioner shall allocate this appropriation as follows:

(1) for construction and reconstruction of Forest highway 11 connecting Aurora-Hoyt Lakes and Silver Bay, \$3,701,000;

(2) 77th Street reconstruction project, Richfield, \$6,600,000;

(3) Mankato south route improvements, Mankato, \$2,500,000;

(4) trunk highway 37 and Hughes road, \$125,000;

(5) Nicollet county state-aid highway 41 for roadway stabilization and rockfall control, North Mankato, \$750,000;

(6) Bloomington ferry bridge replacement, Shakopee, \$23,690,000; and

(7) University of Minnesota Humphrey Institute, \$188,000."

Delete the title and insert:

"A bill for an act proposing an amendment to the Minnesota Constitution,

article XIV; dedicating and allocating motor vehicle excise tax proceeds to highway and transit purposes; providing for resolution of local disapproval of certain county state-aid highway actions; providing that part of county state-aid highway fund be apportioned on basis of lane-miles; changing composition of county state-aid screening board; increasing municipal state-aid system mileage; revising the basis for determining population; changing composition of municipal screening board; amending the definition of highway and defining highway purpose; giving priority to certain metropolitan highway projects; requiring a statewide transit plan and system; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 160.02, subdivision 7, and by adding a subdivision; 162.02, subdivisions 8 and 10, and by adding a subdivision; 162.07, subdivisions 1, 5, and 6; 162.09, subdivisions 1 and 4; 162.13, subdivision 3; 162.155; 174.03, by adding a subdivision; 174.23, by adding a subdivision; 174.32, subdivision 2; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09."

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. 1950: A bill for an act relating to tax increment financing; establishing a special environmental treatment area; establishing tax increment financing districts; providing certain contaminant remediation and development powers; proposing coding for new law in Minnesota Statutes, chapter 469.

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

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS; PURPOSE.]

The legislature finds that historical uses of properties within or adjacent to certain geographic areas within Minnesota communities have contributed to the known or suspected contamination of the areas, that the known or suspected contamination of these geographic areas is significant and widespread, that the welfare of the state requires environmentally sound remediation of contaminated sites, that certain of the contaminated geographic areas can be made suitable for development if contaminants are removed but that the areas cannot be developed for any purpose unless remediation is undertaken or ensured, and that the remediation and development of the contaminated geographic areas are public purposes in the interests of environmental quality, contamination management and disposal, and economic development, for which the expenditure of public funds and the exercise of the powers provided in sections 2 to 10 are authorized and in the public interest.

It is not the intent of sections 2 to 10 to reduce, alter, or modify the liability under Minnesota or federal environmental law of a responsible person as defined in Minnesota Statutes, section 115B.03.

Sec. 2. [469.301] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] As used in sections 2 to 10, the terms defined in this section have the meanings given them.

Subd. 2. [ADDITIONAL TAX INCREMENT.] "Additional tax increment" means the tax increment received by the city which is derived from any reduction of the original net tax capacity of property within the area under section 5, paragraph (e).

Subd. 3. [AGENCY.] "Agency" means the Minnesota pollution control agency.

Subd. 4. [AREA.] "Area" means a special environmental treatment area established under section 3.

Subd. 5. [CITY.] "City" means an "authority" as defined in section 469.174, subdivision 2, a "municipality" as defined in section 469.174, subdivision 6, a county, or a housing and redevelopment authority, port authority, economic development authority, or a similar authority created under a special law.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of the agency.

Subd. 7. [CONTAMINATION.] "Contamination" means the presence or possible presence on, within, or otherwise affecting the area, or properties adjacent to the area if suspected of being a contributing source of contamination of the area, of:

(1) a substance defined as a "hazardous substance" or "toxic substance" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9061, et seq.;

(2) a substance defined as a "hazardous substance," "hazardous waste," or "pollutant or contaminant" in section 115B.02; or

(3) another substance or contaminant whose removal or remediation is necessary to the development of the area.

Subd. 8. [DISTRICT.] "District" means a tax increment financing district established within an area as authorized by sections 2 to 10.

Subd. 9. [ELIGIBLE COSTS.] "Eligible costs" means the costs eligible for payment from tax increments as provided in section 7.

Subd. 10. [ELIGIBLE PERSON.] "Eligible person" means a person who did not own, use, occupy, or contribute to the contamination in, or provide financing with respect to, a contaminated parcel before the date of inclusion in an area of the eligible site which includes the contaminated parcel.

Subd. 11. [ELIGIBLE SITE.] "Eligible site" means one or more parcels which satisfy the criteria stated in section 3, subdivision 4.

Subd. 12. [PLAN.] "Plan" or "area plan" means the plan required by section 3, as from time to time amended.

Subd. 13. [REMEDIATION.] "Remediation" means activity constituting "removal," "remedy," "remedial action," or "response" as those terms are defined in section 115B.02; environmental audits; pollution tests; demolition

undertaken in connection with remediation; soil removal, correction, disposal, or compaction undertaken in connection with remediation; preparation and implementation of environmental response plans; administrative, legal, including litigation, and professional fees; and other activities reasonably related to the prevention or amelioration of contamination.

Subd. 14. [TAX INCREMENT.] "Tax increment" means the portion of property taxes derived from taxable property in a district that is allocated under the plan for payment of eligible costs, and the proceeds of tax increment bonds or other obligations payable in whole or in part from tax increments.

Subd. 15. [TAX INCREMENT BONDS.] "Tax increment bonds" means bonds or other obligations issued under section 8.

Subd. 16. [TAX INCREMENT FINANCING ACT.] "Tax increment financing act" means sections 469.174 to 469.179.

Sec. 3. [469.302] [ESTABLISHMENT OF SPECIAL ENVIRONMENTAL TREATMENT AREA.]

Subdivision 1. [ESTABLISHMENT OF AN AREA.] A city may establish an area only in compliance with the requirements of this section.

Subd. 2. [GEOGRAPHIC DESCRIPTION.] (a) A city establishing an area shall select eligible sites within its jurisdictional boundaries. Each eligible site must consist of parcels that contain contamination, or the inclusion of which is permitted by subdivision 4, paragraph (b). For the purposes of selection of eligible sites, the city may by resolution authorize testing of a parcel within the city to assess the presence of contamination or to discover facts relevant to whether the parcel should be included in the geographic area described in a plan to remediate present contamination or prevent future contamination, except that:

(1) the testing must not unreasonably interfere with the current activity occurring on a parcel being tested;

(2) at least ten days before the testing, the city shall provide written notice of the testing to the owner of record of the parcel, each other person with an interest in the parcel whose interest appears in the public land records of the county, and each other person occupying or using the parcel if the city has actual knowledge of the occupancy or use; and

(3) the city shall pay the cost of the testing and the cost of repair or restoration of any property destroyed or damaged by the testing, provided that the city may recover the cost of the testing and other costs from a person who is a responsible person with respect to the parcel tested, if otherwise permitted by law.

(b) A city may request the agency to supervise or provide oversight or provide technical expertise in connection with testing, and the agency may, but is not obligated to, comply with the request. The agency may exercise its powers under section 115B.17, subdivision 14, in connection with the testing. The agency shall, at its request, be reimbursed for its expenses including staff oversight from any funds available to pay eligible costs.

(c) The area must consist of all or some of the eligible sites identified. An area or an eligible site need not consist of contiguous parcels, but the parcels comprising an eligible site in addition to those which contain contamination may be included only as permitted by subdivision 4, paragraph

(b). *The city shall prepare or cause to be prepared a map showing all of the parcels to be included in the area. The area must also satisfy the requirements of subdivision 5.*

Subd. 3. [AREA PLAN.] The city shall prepare a plan for the area that includes the geographic description and map prepared under subdivision 2. The plan must describe the proposed activities within the area to:

(1) remediate existing contamination in accordance with the development action response plan required by subdivision 6;

(2) prevent future contamination; and

(3) cause development to occur within the area.

The plan must further estimate the source, amount, and uses of all tax increments and other funds to be used to pay for the activities described in the area plan. The plan must contain the findings required by subdivisions 4 and 5 and must provide sufficient detail to show the basis for the findings. The plan must include a tax increment financing plan under section 469.175, subdivision 1, for each district to be established under the plan, except that a tax increment financing plan may be for more than one district. The plan must describe the specific kinds of development expected to occur, and the increases in tax capacity expected to result from the development.

Subd. 4. [ELIGIBLE SITES.] (a) Each eligible site, or parcel included in an eligible site, as appropriate, must meet the requirements of paragraphs (b) to (e).

(b) The parcel must contain contamination, or be necessary for inclusion in the eligible site in order to prevent future contamination or remediate present contamination, or be necessary for inclusion in the eligible site in order to form a development site no larger than that necessary for development to occur on the site.

(c) For each parcel containing contamination, the city shall consider the seriousness of the contamination present in the parcel, the threat posed to the public health by the contamination, and the deterrent effect of the contamination on development of the eligible site which includes the contaminated parcel. The city shall submit a report describing the extent and magnitude of the contamination to the commissioner for approval.

(d) The city shall determine that the contamination present in the eligible site is unlikely to be remediated within five to ten years, or that development of the site is unlikely to occur within five to ten years even if remediation occurs because there is no indemnification against potential environmental liability, unless the city forms the area. In making this determination, the city shall consider the availability of funding for remediation from state and federal agencies and the availability and adequacy of the resources of responsible persons to remediate contamination.

(e) The city shall estimate the likelihood of development of the eligible site if the contamination is remediated and shall determine that development of the eligible site is likely to occur if the area is formed and the actions taken as proposed in the plan for the area.

Subd. 5. [AREA CRITERIA.] (a) In addition to the criteria for eligible sites stated in subdivision 4, each area must meet the requirements of paragraphs (b) and (c).

(b) *The city must determine that either:*

(1) the estimated costs of remediating present contamination or preventing future contamination within the area are no less than \$20,000 per acre for each contaminated parcel; or

(2) the fair market value of the contaminated parcels to be included within the area have suffered a decline in fair market value of not less than 35 percent in the preceding three years.

(c) The city must determine that establishment of the area, the environmental remediation and prevention activities described in the plan and, if applicable, the establishment of a guaranty or indemnification fund, are necessary to:

(1) allow development to occur on the parcels included in the area because of the reluctance of private parties to assume the risk of the cost of remediation of the contaminated parcels in the area; or

(2) cause the fair market value of the contaminated parcels included in the area to rise to the approximate fair market value of similar property available for development in the county and adjacent counties.

Subd. 6. [DEVELOPMENT ACTION RESPONSE PLAN.] The city may not establish an area or approve the plan for the area until a development action response plan as defined in section 469.174, subdivision 17, for each contaminated parcel has been submitted to the agency and the commissioner has approved or modified the development action response plan. The commissioner shall review each development action response plan and approve, modify, or reject the recommended actions within 90 days after submission of the plan or revised plan, provided that the commissioner has previously approved an investigation report under subdivision 4, paragraph (c), for the parcel proposed for response action under the plan. Only one contaminated parcel may be included in each development action response plan.

Subd. 7. [PLAN REVIEW AND APPROVAL.] (a) The city may not give final approval to the plan until the review, hearing, and approval procedures of this subdivision have been satisfied. The governing body of the city, or city officials designated by the governing body to act in its place, shall conduct a public hearing on the plan. Notice of the public hearing must be published in a newspaper of general circulation within the city at least once and at least 14 days before the public hearing. A copy of the proposed plan must be made available for public inspection on and after the date of publication of the notice of hearing during normal business hours at the principal administrative offices of the city. At the hearing, the city shall receive comments on the plan from all those who desire to speak about it, and shall accept comments submitted in writing at or before the hearing. The city shall also afford others a reasonable opportunity to comment on the plan at the hearing.

(b) Following the hearing, and any revisions to the plan based on the comments received by the city, the city shall submit the plan to the county and each school district whose jurisdictional boundaries include any part of the area. The county and school district have 30 days in which to review the plan and provide their comments to the city.

(c) Following receipt of comments from the county and school district, or the expiration of the 30-day comment period, the city shall revise the proposed plan as the city determines appropriate, or as required by federal

or state environmental protection laws. The city may then give final approval to the plan, and proceed with implementation of the plan.

Subd. 8. [MODIFICATIONS.] Following final approval of the plan, the city may eliminate parcels from the area but may not enlarge the area except to add eligible sites. Each enlargement must be evidenced by a written amendment to the plan. The amendment to the plan must comply with the requirements of subdivisions 2 to 7 as though it were a new plan. A development action response plan may be modified only with the approval of the commissioner.

Subd. 9. [EXTRATERRITORIAL AREA.] An area may include parcels outside the geographic boundaries of the city only if the city and the adjacent city or township have entered into an agreement of the type described in section 471.59, authorizing the city to exercise the powers granted under sections 2 to 10, subject to the conditions or limitations provided in the agreement. Tax increments derived from the parcels outside the boundaries of the city must be paid to the city unless otherwise provided in the agreement.

Subd. 10. [REAL PROPERTY.] A city may acquire real property or interests in real property in connection with the activities authorized by sections 2 to 10, subject to the following limitations:

(1) the real property must be located within the area;

(2) nothing in any contract or instrument executed by the city may relieve a responsible person from liability for remediation costs, nor indemnify or hold harmless a responsible person from remediation costs; and

(3) the terms and conditions of disposition of real property by the city may be determined by the city, except that the price received by the city, either in a lump sum or in installments, must be the fair market value of the real property at the time of disposition.

Sec. 4. [469.303] [STATUS OF AREA; POWERS OF THE CITY; INDEMNIFICATION FUND.]

Subdivision 1. [STATUS OF AREA.] The area constitutes a "project" of the city within the meaning of section 469.174, subdivision 8; an "industrial development district" as described in section 469.058, subdivision 1; a "project" as described in section 469.002, subdivision 12; and a "development district" as described in section 469.125, subdivision 9. Section 273.1399 does not apply to a district formed under sections 2 to 10.

Subd. 2. [POWERS OF THE CITY.] With respect to development of the area, the city may exercise all powers granted under sections 2 to 10 and all powers of or relating to a port authority, a housing and redevelopment authority, and an economic development authority under chapter 469 or other law. The city may establish within the area and modify from time to time one or more tax increment financing districts as provided in the area plan and the tax increment financing act, except as supplemented or otherwise provided under sections 2 to 10, and expend tax increments derived from the districts on eligible costs. The powers conferred by sections 2 to 10 are in addition to the powers conferred by other law or charter. Insofar as the provisions of any other law or charter are inconsistent with sections 2 to 10, the provisions of sections 2 to 10 are controlling.

Subd. 3. [GUARANTY OR INDEMNIFICATION FUND.] In addition to the powers otherwise granted under sections 2 to 10, a city may establish

and maintain a guaranty or indemnification fund with respect to any contaminated parcel, or more than one such parcel, included within the area. Funds held in the guaranty or indemnification fund must be available, upon terms and conditions determined by the city through agreement or resolution, to an eligible person to indemnify and hold harmless the eligible person from liability for remediation costs arising under any state or federal environmental law, regulation, ruling, order, or decision with respect to the contaminated parcel or parcels by reason of the person's use, occupancy, ownership, or financing associated with the contaminated parcel. The city may not indemnify or hold harmless an eligible person from liability for contamination of a parcel caused by the eligible person. Tax increments derived from a district established as authorized in sections 2 to 10 and any other funds available to the city may be deposited in or otherwise used to secure payments from the guaranty or indemnification fund. Tax increments derived from a district established as authorized by the tax increment financing act may also be deposited in the guaranty or indemnification fund, notwithstanding any contrary provision of the tax increment financing act. The city is liable under the guaranty or indemnification only to the extent of funds available to secure payments from the guaranty or indemnification fund. The maximum amount payable from the guaranty or indemnification fund with respect to any eligible site must not exceed 50 percent of the cost of remediation of the contamination present in the contaminated parcels in the eligible site at the time of final approval of the plan, which amount may be inflated each year according to an appropriate inflation index selected by the city. The guaranty or indemnification fund must be held or maintained in or with a financial institution or corporate fiduciary eligible for the deposit of public money or eligible to act as a trustee or fiduciary for bonds or other obligations issued under chapter 475. The guaranty or indemnification fund must be held and maintained for the period agreed to by the city, except that tax increments may be deposited in the fund only during the period permitted by sections 2 to 10. Upon termination of the period of guaranty or indemnification all unexpended money then held in the guaranty or indemnification fund must be considered excess tax increments and returned to the county auditor for redistribution. Investment earnings, net of investment losses, on money held in the guaranty or indemnification fund may, at the option of the city, be retained in the fund or disbursed to the city and applied to other eligible costs. Tax increments used or pledged to secure payments from the guaranty or indemnification fund may be irrevocably pledged for that purpose, and neither filing nor possession is required to perfect the security interest created by the pledge.

Sec. 5. [469.304] [LIMITATIONS.]

(a) A tax increment financing district established by a city under sections 2 to 10 is subject to the provisions of paragraphs (b) to (j).

(b) Request for certification of the district must be filed with the county auditor before December 1 of the year following the third year in which the city gives final approval to the plan. The city may by written notice to the county auditor elect to defer receipt of the first increment from a district until a year beginning not later than five years after the date of the request for certification. The election may be amended to provide an earlier year of payment of tax increment if the notice of the amendment is filed with the county auditor.

(c) A tax increment from an eligible site may not be paid to the city after January 1 of the year that is 25 years after the year of receipt of the first

tax increment from the eligible site.

(d) Section 469.1763 does not apply to the district. Tax increment must be expended or reserved for expenditure by the city only for eligible costs. Tax increment derived from a district may be applied to eligible costs incurred anywhere within the area.

(e) Concurrently with the original request for certification, or at any subsequent time during the life of a district within the area and established as provided in the plan, the city may elect in writing to the county auditor to reduce the original net tax capacity of an eligible site, selected by the city, by up to 100 percent. All additional tax increment derived from the reduction must be expended only for the costs of remediation of contaminated parcels within the eligible site, or to make deposits in a guaranty or indemnification fund. When the city has received sufficient amounts of additional tax increment to pay or to provide for payment of all present and future eligible costs, including remediation costs and required deposits in a guaranty or indemnification fund, whether or not the city's undertaking to pay the costs is contingent, the city shall within 60 days notify the county auditor of this occurrence and shall treat all additional tax increment which exceeds the requirements as excess tax increment. The city shall return the excess tax increment to the county auditor for redistribution, and the county auditor shall then increase the original net tax capacity of each district within the area then benefiting from the reduction made under this paragraph to the original net tax capacity that would at the time prevail had no reduction been made. The reduction of the original net tax capacity permitted by this paragraph may be made only upon findings by the city, supported by written reasons or facts, that:

(1) the eligible site contains significant contamination;

(2) the development of the district would not reasonably be expected to occur through private investment and tax increment otherwise available; and

(3) the reduction in the original net tax capacity is not greater than, and the period of receipt by the city of the increased tax increment arising from the reduction is not longer than, the amount and time necessary to provide the additional tax increment required for remediation of the eligible site as set forth in the plan and the development action response plan for the eligible site, or to make required deposits in a guaranty or indemnification fund.

(f) The city shall decertify a district upon receipt of sufficient tax increment from the district to pay, or to provide for the payment of, all of the eligible costs respecting the district. The city shall treat all tax increment that exceeds the requirements as excess tax increment. The city shall return the excess tax increment to the county auditor for redistribution.

(g) In establishing or modifying a district included in the area and established under the plan, section 469.175, subdivisions 1, clauses (1), (3), (4), and (7); 1a; 3; and 7, do not apply and the findings otherwise required by section 469.175, subdivision 3, are not required, except that the city shall make the finding, supported by the city with written reasons and supporting facts, that the action is reasonably required in the judgment of the city in furtherance of the development of the area.

(h) The following provisions of the tax increment financing act do not apply to a district formed under sections 2 to 10; sections 469.174, subdivisions 7, paragraphs (b) and (c); 16; and 17; 469.176, subdivisions 1,

paragraphs (d), (e), and (g); 3; 4e; 4h; 5; 6; and 7; and 469.1762.

(i) A housing and redevelopment authority, port authority, economic development authority, or county may not exercise the powers granted by this chapter except upon the prior approval, by resolution, of the governing body of the statutory or home rule city or cities or township or townships included in whole or in part within the area established under section 3.

(j) Nothing in sections 2 to 10 or the tax increment financing act may be construed to prevent or preclude a city from establishing one or more tax increment districts under the tax increment financing act for any purpose permitted thereby, and a district may include all or some of an area or a district or an eligible site established under sections 2 to 10. Notwithstanding the provisions of the tax increment financing act, the city may allocate tax increments derived from districts established under the tax increment financing act to eligible costs under sections 2 to 10. Nothing in sections 2 to 10 or the tax increment financing act may be construed to prevent or preclude a city from establishing one or more tax increment districts under sections 2 to 10 for any purpose permitted in those sections, and any district established may include all or some of a district or project established under the tax increment financing act. Tax increments derived from a district established under sections 2 to 10 may be applied only to eligible costs, but if a district established under sections 2 to 10 and a district established under the tax increment financing act overlap, the city may allocate the tax increments derived from the overlapping area in any reasonable manner.

Sec. 6. [469.305] [INTER-GOVERNMENTAL COOPERATION AND ASSISTANCE.]

The city, the agency, the attorney general, a city as defined in section 2, subdivision 5, and an agency of the state or the University of Minnesota may cooperate with one another and take individual or collective actions considered necessary or desirable to assist development and remediation within the area, including without limitation the preparation and execution of development action response plans, the rendering of legal and technical advice and other assistance, and the transfer of any of its properties within the area to the city or to other entities in furtherance of the development of the area. All properties so transferred by a state agency or the University of Minnesota shall, whenever included within a district within the area and established pursuant to the plan and notwithstanding any other provision of the tax increment financing act, have an original net tax capacity of zero.

Sec. 7. [469.306] [ELIGIBLE COSTS.]

For the purposes of sections 2 to 10, eligible costs mean all of the following:

(1) the cost to pay, or reimburse any person for the payment of, remediation costs;

(2) the cost of funding a guaranty or indemnification fund created as permitted by section 4, subdivision 3, and payments from the fund, and the cost of paying the premiums on environmental liability insurance obtained by the city or by any other person with respect to real property within the area;

(3) the cost of paying the principal of and interest on bonds or other obligations of the city and associated costs or the cost of paying the interest

on other bonds or other obligations or establishing and maintaining a reserve fund for the other bonds or other obligations, all as permitted by section 8;

(4) the cost of issuing bonds or other obligations payable from tax increments derived from an area and customary associated financing costs, including discount, capitalized interest, and interest on the obligations;

(5) the costs of acquisition of real property within the area;

(6) if necessary for remediation of contamination or prevention of future contamination, the cost of public infrastructure extensions and installations including water, sanitary and storm sewer, ponding and drainage improvements, including improvements located outside the boundaries of the area;

(7) staff oversight costs of the agency and reasonable administrative costs of the city or other government units;

(8) the costs of other activities and improvements authorized by sections 2 to 10; and

(9) costs reasonably related to clauses (1) to (8).

All eligible costs are costs of a project for which tax increments and other public funds may be expended.

All costs are payable from tax increments.

Sec. 8. [469.307] [FINANCING.]

To finance eligible costs, the city may issue bonds or other obligations, payable in whole or in part from tax increments derived from districts created in accordance with section 469.178, and the use of tax increments to pay the principal of and interest on the bonds and other costs associated with the bonds is an eligible cost. The city may apply tax increments to pay all or part of the interest on bonds or other obligations issued by public or private entities to finance eligible costs incurred with respect to parcels within the area, or to establish or maintain reserve funds in connection with the bonds or other obligations.

Sec. 9. [469.308] [RELATIONSHIP TO TAX INCREMENT FINANCING ACT.]

Subdivision 1. [IN GENERAL.] To the extent that any provision of the tax increment financing act conflicts or is otherwise inconsistent with a provision of sections 2 to 10, the provisions of sections 2 to 10 apply. Nothing in sections 2 to 10 limits or prevents the exercise by the city of any power or authority it may have, and the city may, without limitation, in connection with the exercise of any power respecting development or the establishment of a tax increment financing district, elect not to use the authority granted in sections 2 to 10 and instead proceed under and subject to all of the terms of the other applicable law, including all provisions of sections 469.174 to 469.179 with respect to a tax increment financing district.

Subd. 2. [GUARANTY OR INDEMNIFICATION FUND.] Notwithstanding any provision of the tax increment financing act to the contrary, an authority as defined in the tax increment financing act may amend the tax increment financing plan with respect to any district to permit the deposit of tax increments derived from the district, or the proceeds of bonds or other obligations payable from the tax increments, in a guaranty or indemnification fund created under this chapter if the amendment is approved on or

before a date that is at least five years before the latest termination date of the district permitted by the tax increment financing act.

Sec. 10. [469.309] [RESPONSIBLE PERSONS.]

Subdivision 1. [NO INDEMNITY.] The city may not agree to indemnify or hold harmless a person other than an eligible person as defined in section 2, subdivision 10, from any losses, costs, or damages arising from the application of chapter 115B or other state or federal environmental law.

Subd. 2. [RECOVERY FROM RESPONSIBLE PERSONS.] Nothing in sections 2 to 10 may be construed to limit the authority of the city, the agency, the attorney general, and other appropriate state and federal environmental regulatory agencies or persons authorized to enforce state and federal environmental laws to enforce the provisions of state and federal environmental laws against responsible persons. All amounts recovered by the city from responsible persons, net of the costs of recovery, and all amounts otherwise received by the city representing all or a portion of amounts recovered from responsible persons, with respect to parcels included in the area must be deposited by the city.

Subd. 3. [AMOUNTS RECOVERED.] All amounts deposited with the city, as provided in subdivision 2, are considered tax increment derived from a district formed under sections 2 to 10 and must be:

- (1) applied to the payment of the costs of recovery;*
- (2) applied to the payment of eligible costs; or*
- (3) returned to the county auditor for redistribution.*

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment."

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

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

S.F. No. 2146: A bill for an act relating to once-through cooling systems; providing grants for retrofitting and conversion; amending Minnesota Statutes 1990, section 103G.271, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6.

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

Page 3, line 19, reinstate the stricken "1993," and delete "1992,"

Page 4, line 3, delete "1992" and insert "1993"

Page 4, line 4, after the period, insert "Priority must be given to nonprofit organizations and school districts."

Page 4, line 5, delete "shall" and insert "may"

Page 4, line 6, delete "The"

Page 4, delete lines 7 to 11

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. 2011: A bill for an act relating to races and exhibitions on water or ice; eliminating the appeal to the commissioner of natural resources from a sheriff's decision; amending Minnesota Statutes 1990, section 86B.121.

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

Page 1, after line 6, insert:

“Section 1. [86B.106] [BARRING VEHICLES FROM UNSAFE ICE.]

(a) Whenever ice conditions on a body of water deteriorate to such an extent that there is substantial danger to persons using motorized vehicles, including snowmobiles and all-terrain vehicles, the sheriff of the county where the body of water is located may prohibit or restrict the use of motorized vehicles on all or a portion of the body of water. If the body of water is located in more than one county, all counties involved must coordinate any prohibitions or restrictions that are imposed. A county sheriff acting under this section shall, as soon as practicable, post all common access sites and publicize the prohibitions or restrictions. The commissioner must be notified immediately and may review and suspend any restrictions imposed. Restrictions may be lifted as soon as conditions warrant.

(b) A person may not operate a motorized vehicle in violation of a prohibition or restriction imposed under this section.”

Page 1, line 23, delete “This act” and insert “Section 2”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete “races and exhibitions on water or ice” and insert “waters; granting sheriffs power to bar vehicles from unsafe ice”

Page 1, line 5, before the period, insert “; proposing coding for new law in Minnesota Statutes, chapter 86B”

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. 2102: A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; establishing a nitrate data advisory task force; modifying requirements relating to sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; appropriating money; amending Minnesota Statutes 1990, sections 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; and 103I.301, subdivisions 1 and 6; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

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

Page 1, line 29, delete “agency” and insert “entity that receives direct state appropriations in the current fiscal year”

Page 2, after line 1, insert:

"Sec. 3. Minnesota Statutes 1991 Supplement, section 103I.235, is amended to read:

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well *disclosure* certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515A.

(f) For an area owned in common under chapter 515 or 515A the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision.

(h) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(i) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of \$10 for receipt of a completed well disclosure certificate for filing. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. 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 \$7.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original.

(j) ~~No new well disclosure certificate is required on property unless under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or other instrument of conveyance that the status of numbers and number of wells on the property has have not changed from since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.~~

(k) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(l) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.”

Page 2, line 15, strike “contractor or”

Page 2, line 16, strike the old language and delete the new language and insert “*or boring sealed by a registered or licensed person*”

Page 2, line 17, delete “*person*” and insert “*to*” and delete “*a*” and insert “*the well or*”

Page 2, delete section 5

Page 4, line 14, delete “APPROPRIATION” and insert “EXPENDITURES” and after “(a)” insert “*Subject to appropriation by law,*”

Page 4, line 15, delete “*is appropriated to*” and insert “*may be used by*”

Page 4, line 17, delete “*appropriated*”

Page 4, line 35, delete “*and*”

Page 5, line 1, delete the period and insert “; *and*

(7) *a representative of the land management information center.*”

Page 5, line 4, delete “, *and the*” and insert a period

Page 5, delete lines 5 and 6

Page 5, line 7, delete “*establish*” and insert “*recommend to the environmental quality board*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after “to” insert “well disclosure certificates and”

Page 1, line 11, before “and” insert “103I.235;”

Page 1, line 12, delete “subdivisions 1 and 6” and insert “subdivision 1”

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

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

S.F. No. 2249: A bill for an act relating to health; specifying timelines for the disposal of cremated remains; modifying standards for county payment of funeral expenses; amending Minnesota Statutes 1991 Supplement, sections 256.935, subdivision 1; and 261.035; proposing coding for new law in Minnesota Statutes, chapter 149.

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

Page 3, lines 1 and 7, delete “*or*” and insert “*and*”

Page 3, line 4, strike “*or*” and before “*final*” insert “*and*”

Page 3, line 10, delete “*The*”

Page 3, delete lines 11 and 12 and insert "*If the wishes of the decedent are not known and the county has no information about the existence of or location of any next of kin, the county may determine the method of final disposition.*"

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. 2247: A bill for an act relating to human services; limiting the powers and duties of public guardian or conservator to the commissioner; amending Minnesota Statutes 1990, section 252A.111, 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. [PUBLIC GUARDIANSHIP; REPORT.]

The commissioner of human services shall not adopt rules requiring that the county worker or department that performs public guardianship or conservatorship duties on behalf of a person with mental retardation or a related condition cannot be the same worker or county department that provides case management services, unless the state provides sufficient new state funding to cover the additional county costs of complying with the rules. The commissioner shall recommend alternatives to the legislature by January 1, 1993."

Delete the title and insert:

"A bill for an act relating to human services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report."

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. 1701: A bill for an act relating to human services; defining certain terms; providing for certain child care funding; appropriating money; amending Minnesota Statutes 1990, sections 256H.01, subdivision 9, and by adding a subdivision; and 256H.10, subdivision 1; Minnesota Statutes 1991 Supplement, sections 256H.03, subdivisions 4 and 6; and 256H.05, subdivision 1b, and by adding a subdivision.

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

Page 4, line 24, delete "APPROPRIATION" and insert "TRANSFER"

Amend the title as follows:

Page 1, line 4, delete "appropriating" and insert "transferring"

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. 1994: A bill for an act relating to human services; authorizing an exception to the moratorium on new negotiated rate facilities for a specialized housing program for chronic inebriates; amending Minnesota Statutes 1991 Supplement, section 2561.04, subdivision 3.

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

Page 2, after line 11, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1993.”

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. 2186: A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; providing for an American Indian child welfare advisory council; amending Minnesota Statutes 1990, section 257.3579; Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Governmental Operations. Report adopted.

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

S.F. No. 2246: A bill for an act relating to human services; defining commitment; expanding when a neuroleptic medication may be administered; providing informed consent of a competent person for informal admission; changing treatment alternatives; providing for patient commitment to the commissioner; expanding initial commitment period; defining when the commissioner must designate the regional center or treatment facility to take the committed person; transferring cost of care for committed persons awaiting placement or transfer designation to the state; establishing county financial responsibility for persons temporarily confined; granting continuance of the commitment; clarifying duration of continued commitment; amending Minnesota Statutes 1990, sections 253B.02, by adding a subdivision; 253B.04, subdivision 1; 253B.09; 253B.10, subdivision 1; 253B.11, subdivision 2, and by adding a subdivision; 253B.12, subdivision 5; and 253B.13, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, section 253B.03, subdivision 6c.

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

Pages 2 to 4, delete sections 2 and 3

Page 4, lines 27 and 28, reinstate the stricken language

Page 4, delete line 29 and insert “direct the ~~entry~~ filing of an appropriate

judgment order. Where commitment”

Page 4, lines 30 and 31, delete the new language

Page 5, lines 14 to 16, delete the new language

Page 5, line 34, delete the new language

Pages 7 and 8, delete sections 8 to 10

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 3 and 4

Page 1, line 5, delete everything before “changing”

Page 1, lines 7 and 8, delete “expanding initial commitment period;”

Page 1, line 15, delete everything before “amending”

Page 1, line 17, delete “253B.04, subdivision 1;”

Page 1, delete lines 19 to 21 and insert “subdivision.”

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

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

S.F. No. 1782: A bill for an act relating to human services; clarifying and expanding restrictions on giving away assets or income to gain eligibility for medical assistance; requiring an institutionalized spouse on medical assistance to use available income and assets for health care and personal needs; permitting medical assistance liens against real property; prohibiting trust clauses that make trust assets unavailable to a beneficiary if the beneficiary becomes eligible for medical assistance; amending Minnesota Statutes 1990, sections 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 501B.

Reports the 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 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) \$12,000; or

(2) the lesser of the spousal share or \$60,000; or

(3) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 2. Minnesota Statutes 1990, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] (a) If a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.

(b) This section applies to transfers, for less than fair market value, of income or assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(d) This section applies to the portion of any asset or interest that a person or a person's spouse transfers to an irrevocable trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse during his or her lifetime, based on his or her estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based

on the need for long-term care.

(e) For purposes of this section, long-term care services include nursing facility services, and home and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home and community-based services under section 256B.491.

Sec. 3. Minnesota Statutes 1990, section 256B.15, is amended by adding a subdivision to read:

Subd. 5. [MEDICAL ASSISTANCE LIENS.] The state or county medical assistance agency may file a lien against real property owned by a recipient who was institutionalized when medical assistance services were rendered, or against real property owned by the recipient's surviving spouse, to the same extent that a claim against the estate is allowed under subdivision 1, paragraph (b), and subdivisions 2 to 4. A medical assistance lien may be filed against real property even if the real property is not included in the recipient's or surviving spouse's estate. If the recipient is discharged and returns home, the lien is dissolved. A lien filed under this subdivision must be treated as a judgment lien.

Sec. 4. [501B.90] [EXCULPATORY CLAUSES LINKED TO PUBLIC ASSISTANCE ELIGIBILITY PROHIBITED.]

A provision in a trust created after July 1, 1992, purporting to make assets or income unavailable to a beneficiary who is the grantor or the grantor's spouse if the beneficiary applies for or is determined eligible for public assistance or a public health care program is unenforceable.

Sec. 5. [MEDICAL ASSISTANCE RULES.]

The commissioner shall make recommendations to the legislature by December 1, 1992, on federal or state action that can be taken to ensure that the medical assistance program is a payor of last resort for persons who are beneficiaries of trusts that generally provide assistance for personal needs, living expenses, and health care.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 and 3 to 5 are effective July 1, 1992. Section 2 is effective July 1, 1992, and applies to transfers or payments made on or after that date."

Delete the title and insert:

"A bill for an act relating to human services; clarifying and expanding restrictions on giving away assets or income to gain eligibility for medical assistance; requiring an institutionalized spouse on medical assistance to use available income and assets for health care and personal needs; permitting medical assistance liens against real property; prohibiting trust clauses that make trust assets unavailable to a beneficiary if the beneficiary becomes eligible for medical assistance; requiring a report; amending Minnesota Statutes 1990, sections 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 501B."

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred the following appointment as reported in the Journal for February 24, 1992:

MINNESOTA PUBLIC FACILITIES AUTHORITY

Donna Holstine

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

S.F. No. 1946: A bill for an act relating to juveniles; establishing a youth employment and education pilot program; appropriating money for the pilot program and for family-based services under the family preservation act.

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

Page 3, line 17, delete "outstate" and insert "greater"

Page 3, delete section 2

Page 3, line 33, delete "3" and insert "2"

Amend the title as follows:

Page 1, line 4, delete everything after "program" and insert a period

Page 1, delete line 5

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

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

S.F. No. 2322: A bill for an act relating to veterans; establishing a grant program to enhance the operations of county veterans service offices; establishing an education program for county veterans service officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197.

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

Page 2, line 33, delete the period and insert "*, determined in the following manner:*

(i) if the county's veteran population is less than 1,000, the county's grant share shall be \$2,000;

(ii) if the county's veteran population is 1,000 or more but less than 3,000, the county's grant share shall be \$4,000;

(iii) if the county's veteran population is 3,000 or more but less than 10,000, the county's grant share shall be \$6,000; or

(iv) if the county's veteran population is 10,000 or more, the county's grant share shall be \$8,000.

If in any year the appropriation for this program is less than the sum of all county grant shares as specified in this subdivision, then the county shares shall be reduced proportionately.

In any year, after a period of time to be determined by the commissioner, any amounts remaining from undistributed county grant shares may be reallocated to the other counties which have submitted qualifying applications.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner."

Page 2, delete lines 34 to 36

Page 3, delete lines 1 to 5

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

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

H.F. No. 1652: A resolution memorializing the Postmaster General to issue a postal stamp in commemoration of Wanda Gag, American Author and Illustrator.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1801, 1638, 1773, 1729, 429, 2227, 1766, 2159, 1770, 512, 2011 and 2247 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1652 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Merriam moved that the names of Messrs. Bertram and Frank be added as co-authors to S.F. No. 738. The motion prevailed.

Ms. Pappas moved that the name of Ms. Johnston be added as a co-author to S.F. No. 1156. The motion prevailed.

Mr. Laidig moved that the name of Mr. Davis be added as a co-author to S.F. No. 1778. The motion prevailed.

Mr. Bertram moved that the name of Mr. Finn be added as a co-author to S.F. No. 2011. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Benson, D.D. be added as a co-author to S.F. No. 2137. The motion prevailed.

Mr. Benson, D.D. moved that the name of Ms. Olson be added as a co-author to S.F. No. 2261. The motion prevailed.

Mr. Chmielewski moved that the names of Ms. Piper, Messrs. Samuelson and Hottinger be added as co-authors to S.F. No. 2296. The motion prevailed.

Mr. Lessard moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 2313. The motion prevailed.

Mr. Bertram moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 2321. The motion prevailed.

Mr. Johnson, D.J. moved that his name be stricken as a co-author to S.F. No. 2339. The motion prevailed.

Ms. Johnson, J.B. moved that the names of Messrs. Dicklich and Neuville be added as co-authors to S.F. No. 2392. The motion prevailed.

Ms. Pappas moved that S.F. No. 2338 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Renneke moved that S.F. No. 2341 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Finance. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of the Calendar.

CALENDAR

S.F. No. 797: A bill for an act relating to traffic regulations; authorizing the use of studded tires by mail carriers; amending Minnesota Statutes 1990, section 169.72, 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 47 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mondale	Riveness
Beckman	DeCramer	Johnson, J.B.	Morse	Sams
Benson, D.D.	Dicklich	Kelly	Neuville	Samuelson
Benson, J.E.	Finn	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Hottinger	Mehrkens	Piper	
Chmielewski	Hughes	Metzen	Price	
Dahl	Johnson, D.E.	Moe, R.D.	Renneke	

Those who voted in the negative were:

Belanger	Flynn	Knaak	Merriam	Terwilliger
Berglin	Frank	Luther	Pogemiller	Waldorf
Cohen	Halberg	Marty	Ranum	
Day	Johnston	McGowan	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1716: A bill for an act relating to Olmsted county; permitting the appointment of the recorder; authorizing the abolishment and reorganization of the office.

Was read the third time 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	Flynn	Johnson, D.J.	Metzen	Ranum
Belanger	Frank	Kelly	Mondale	Reichgott
Bertram	Frederickson, D.J.	Knaak	Neuville	Samuelson
Brataas	Gustafson	Langseth	Olson	Spear
Chmielewski	Halberg	Larson	Pappas	Terwilliger
Cohen	Hottinger	Luther	Pariseau	Traub
Dahl	Hughes	Marty	Pogemiller	
Dicklich	Johnson, D.E.	McGowan	Price	

Those who voted in the negative were:

Beckman	Day	Laidig	Novak	Vickerman
Benson, D.D.	DeCramer	Lessard	Piper	Waldorf
Benson, J.E.	Finn	Mehrkens	Renneke	
Berg	Frederickson, D.R.	Merriam	Riveness	
Bernhagen	Johnson, J.B.	Moe, R.D.	Sams	
Davis	Johnston	Morse	Stumpf	

So the bill passed and its title was agreed to.

S.F. No. 1608: A bill for an act relating to occupational health and safety; requiring a study of video display terminal operators health risks.

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

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. 1669, 1908, 1633, 1854 and 1681, which the committee recommends to pass.

S.F. No. 1689, which the committee recommends to pass with the following amendment offered by Mr. Metzen:

Page 2, delete section 2 and insert:

“Sec. 2. Minnesota Statutes 1990, section 60A.177, subdivision 3, is amended to read:

Subd. 3. [BOARD OF REVIEW.] A three-member board of review shall be selected from a list of ten agents and ten insurer representatives compiled by the commissioner. One member shall be selected by the agent, ~~and one by the insurer, and one by the commissioner.~~ *The third member shall be mutually agreed upon by both parties. If the parties do not agree upon a third member, the commissioner shall request the American Arbitration Association to provide the commissioner with three names of potential members. If the American Arbitration Association declines to provide the names, the commissioner of the bureau of mediation services shall provide the names. The agent member and the insurer member shall each strike one person from the list. The remaining person shall be selected as the third member of the review board. The insurer and the agent shall each pay one-half of the fee charged by the third member.* The board member selected by the agent may not be a relative of the agent. The board members selected by the agent and insurer may not be presently or formerly associated with an insurer represented by the agent. An insurer is immune from civil liability to the agent for disclosures made at the hearing. This immunity does not extend to disclosures made in bad faith or with knowledge of their falseness.”

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Johnson, D.E. introduced—

S.F. No. 2408: A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Cohen; Frederickson, D.R.; Ms. Ranum and Mr. Pogemiller introduced—

S.F. No. 2409: A bill for an act relating to state government; creating a state board of pension investment; prescribing its powers and duties; transferring authority from the state board of investment; appropriating money; amending Minnesota Statutes 1990, sections 10A.01, subdivision 18; 11A.01; 11A.02, subdivisions 2 and 4; 11A.04; 11A.08, subdivisions 1 and 2; 11A.09; 11A.13, subdivision 1; 11A.14, subdivisions 5 and 13;

79.251, subdivision 7; 352.05; 353.05; 356.218, subdivision 1; 356A.01, subdivision 23; 356A.02, subdivision 1; 356A.11, subdivision 1; 422A.06, subdivision 8; and 490.123, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 11B; repealing Minnesota Statutes 1990, section 11A.14, subdivisions 6, 7, and 8.

Referred to the Committee on Governmental Operations.

Mr. Cohen introduced—

S.F. No. 2410: A bill for an act relating to elections; changing provisions for absentee voting by persons overseas; amending Minnesota Statutes 1990, sections 203B.16, by adding a subdivision; and 204B.35, subdivision 4; Minnesota Statutes 1991 Supplement, section 203B.21, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 203B.

Referred to the Committee on Elections and Ethics.

Mr. Samuelson introduced—

S.F. No. 2411: A bill for an act relating to human services; providing for pilot projects to demonstrate the use of intergovernmental contracts between state and counties to fund, administer, and regulate delivery of community social service programs; appropriating money.

Referred to the Committee on Health and Human Services.

Messrs. Waldorf, Kelly, Cohen and Ms. Pappas introduced—

S.F. No. 2412: A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections; amending Laws 1955, chapter 151, section 1, subdivision 3, as amended.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2413: A bill for an act relating to corporations; regulating registrations of domestic corporations with the secretary of state; amending Minnesota Statutes 1990, section 302A.821, as amended.

Referred to the Committee on Judiciary.

Mr. Benson, D.D. introduced—

S.F. No. 2414: A bill for an act relating to education; allowing independent school district Nos. 228 and 238 to cooperate and combine.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 2415: A bill for an act proposing an amendment to the Minnesota Constitution, article XIV, section 8; allowing money from the municipal state-aid street fund to be used for town roads.

Referred to the Committee on Transportation.

Mr. Frederickson, D.R. introduced—

S.F. No. 2416: A bill for an act relating to human services; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; amending Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 19a.

Referred to the Committee on Health and Human Services.

Ms. Johnston, Messrs. Belanger, Terwilliger, Sams and Halberg introduced—

S.F. No. 2417: A bill for an act relating to crimes; increasing penalties for repeated harassment crimes; amending Minnesota Statutes 1990, section 609.747, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Pogemiller, Cohen, Kelly, Ms. Pappas and Mr. Waldorf introduced—

S.F. No. 2418: A bill for an act relating to retirement; St. Paul police relief association; validating a change in the date on which personal and benefit payments are made.

Referred to the Committee on Governmental Operations.

Messrs. Sams, Bertram, Larson and Frederickson, D.R. introduced—

S.F. No. 2419: A bill for an act relating to agriculture; changing limits on certain loans by the rural finance authority; amending Minnesota Statutes 1990, sections 41B.03, subdivision 1; 41B.039, subdivision 2; and 41B.042, subdivision 4.

Referred to the Committee on Agriculture and Rural Development.

Mr. Cohen introduced—

S.F. No. 2420: A bill for an act relating to human services; including persons living in a nursing home for continuing the care of attendants to ventilator-dependent recipients upon admission to a hospital; amending Minnesota Statutes 1991 Supplement, section 256B.64.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 2421: A bill for an act relating to natural resources; extending the term of certain timber permits.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 2422: A bill for an act relating to economic development; establishing the affirmative enterprise program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Neuville, Mrs. Benson, J.E. and Ms. Johnston introduced—

S.F. No. 2423: A bill for an act relating to children; limiting parental rights of certain persons who commit criminal sexual conduct; proposing coding for new law in Minnesota Statutes, chapter 260.

Referred to the Committee on Judiciary.

Mr. Neuville introduced—

S.F. No. 2424: A bill for an act relating to education; requiring the conveyance of certain land from the state of Minnesota to independent school district No. 656, Faribault; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Neuville introduced—

S.F. No. 2425: A bill for an act relating to retirement; Faribault fire consolidation account; providing a full postretirement adjustment in certain instances.

Referred to the Committee on Governmental Operations.

Ms. Johnston and Mr. Hottinger introduced—

S.F. No. 2426: A bill for an act relating to wild animals; clarifying the prohibition on taking wild animals from a motor vehicle; amending Minnesota Statutes 1990, section 97B.055, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Waldorf, Pogemiller, Morse, Stumpf and Renneke introduced—

S.F. No. 2427: A bill for an act relating to retirement; teacher retirement plans; state deferred compensation program; recodifying state deferred compensation program; providing state deferred compensation program coverage for extracurricular teaching activity compensation; amending Minnesota Statutes 1990, sections 352.031, subdivision 2; 353D.12, subdivision 4; 354.05, by adding subdivisions; 354.07, by adding a subdivision; 354.42, subdivisions 2, 3, 5, and by adding a subdivision; 354.44, subdivision 6; 354A.011, by adding subdivisions; 354A.021, by adding a subdivision; 354A.12, subdivisions 1, 2, and by adding a subdivision; 354A.31, subdivision 4; 356.24; and 518.54, subdivision 11; Minnesota Statutes 1991 Supplement, sections 354.46, subdivision 1; and 354A.12, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 352E; repealing Minnesota Statutes 1990, sections 352.96; and 352.97.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2428: A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring that all new residential combustion appliances be unable to spill combustion gases into homes regardless of the airtightness

or operating condition of the home; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990, section 216C.19, subdivision 1, and by adding subdivisions; and Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1.

Referred to the Committee on Energy and Public Utilities.

Messrs. Davis, Sams, Morse, Renneke and Bertram introduced—

S.F. No. 2429: A bill for an act relating to agriculture; establishing a dairy expansion and stabilization loan guarantee program; amending Minnesota Statutes 1990, section 41B.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Sams, Lessard and Morse introduced—

S.F. No. 2430: A bill for an act relating to the environment; providing that the pollution control agency adopt rules with respect to competence and fees of underground tank installers; amending Minnesota Statutes 1990, section 116.491, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Ms. Flynn, Messrs. Price, Belanger and Finn introduced—

S.F. No. 2431: A bill for an act relating to family day care licensing; providing incentives for counties; amending Minnesota Statutes 1990, section 245A.16, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Berg, Lessard and Morse introduced—

S.F. No. 2432: A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; imposing civil penalties; amending Minnesota Statutes 1990, sections 97C.203; 97C.211, subdivision 1; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, section 97C.209.

Referred to the Committee on Agriculture and Rural Development.

Mr. Samuelson introduced—

S.F. No. 2433: A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1990, section 168.125, subdivision 1.

Referred to the Committee on Transportation.

Mr. Kroening introduced—

S.F. No. 2434: A bill for an act relating to retirement; providing continued coverage in the Minnesota state retirement system for certain employees; amending Minnesota Statutes 1990, sections 352.01, subdivision 2a; and

352.04, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Stumpf and Renneke introduced—

S.F. No. 2435: A bill for an act relating to retirement; inclusion of technical college teachers in the law governing individual retirement accounts; amending Minnesota Statutes 1990, sections 354.05, subdivision 2a; 354B.01, subdivision 1, and by adding subdivisions; 354B.015; 354B.02; 354B.03, subdivisions 1 and 3; 354B.05; and 356.24; proposing coding for new law in Minnesota Statutes, chapter 354B.

Referred to the Committee on Governmental Operations.

Mses. Traub, Reichgott and Mr. Mondale introduced—

S.F. No. 2436: A bill for an act relating to education; repealing the requirement of proficiency in American sign language for licensure for teaching hearing impaired students; repealing Minnesota Statutes 1991 Supplement, section 125.189.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 2437: A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold; amending Minnesota Statutes 1990, section 514.20.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 2438: A bill for an act relating to the environment; providing that motor vehicles no more than two years old are exempt from emissions testing requirements; amending Minnesota Statutes 1990, section 116.61, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 2439: A bill for an act relating to human services; establishing a pilot project for downsizing intermediate care facilities for persons with mental retardation in Dakota county; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Metzen introduced—

S.F. No. 2440: A bill for an act relating to lawful gambling; regulating the destruction of pull-tabs removed from play; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on Gaming Regulation.

Mr. Metzen introduced—

S.F. No. 2441: A bill for an act relating to housing; increasing the debt ceiling of the Minnesota housing finance agency; amending Minnesota Statutes 1990, section 462A.22, subdivision 1.

Referred to the Committee on Economic Development and Housing.

Messrs. Finn; Johnson, D.J.; Dicklich; Bernhagen and Renneke introduced—

S.F. No. 2442: A bill for an act relating to municipal utilities; providing for the assessment of certain costs; proposing coding for new law in Minnesota Statutes, chapter 414.

Referred to the Committee on Energy and Public Utilities.

Mrs. Pariseau and Ms. Olson introduced—

S.F. No. 2443: A bill for an act relating to motor vehicles; environment; providing for biennial inspections for motor vehicle emissions; providing for delayed testing for new motor vehicles; providing that the emissions testing program expires under certain conditions; amending Minnesota Statutes 1990, sections 116.61, subdivision 1; 116.62, subdivision 4; and 116.64, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Mr. Bernhagen introduced—

S.F. No. 2444: A bill for an act relating to local government; city of Hutchinson; providing for the adoption by the city of a special service district.

Referred to the Committee on Local Government.

Messrs. Mehrkens and Neuville introduced—

S.F. No. 2445: A bill for an act relating to outdoor recreation; permitting operation of a certain commercial activity by a nonprofit trail association in Goodhue county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Kelly, Cohen and Ms. Pappas introduced—

S.F. No. 2446: A resolution memorializing the President and Congress to expedite the naturalization of aliens who served with special guerrilla units in Laos.

Referred to the Committee on Veterans and General Legislation.

Messrs. Solon, Luther, Belanger, Samuelson and Larson introduced—

S.F. No. 2447: A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all

covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 48.185, subdivision 7; 59A.08, subdivisions 1 and 4; 59A.11, subdivisions 2 and 3; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivisions 1 and 10; 60A.12, subdivision 4; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivisions 1 and 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 62A.10, subdivision 1; 62A.21, subdivision 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.48, subdivision 8; 62A.54; 62C.17, subdivision 5; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivision 4; 70A.11, subdivision 1; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 72A.061, subdivision 1; 72A.201, subdivision 8; and 82B.15, subdivision 3; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 60A; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 62A.01, subdivision 4; 62A.29; 65B.70; and 72A.13, subdivision 3; and Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.

Referred to the Committee on Commerce.

Mr. DeCramer introduced—

S.F. No. 2448: A bill for an act relating to human services; modifying cost reporting procedures and note adjustments for certain nursing facilities; amending Minnesota Statutes 1990, section 256B.431, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Finn, Dicklich, Lessard, Stumpf and Moe, R.D. introduced—

S.F. No. 2449: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for the Bemidji technical college construction project.

Referred to the Committee on Education.

Messrs. Chmielewski and Solon introduced—

S.F. No. 2450: A bill for an act relating to telecommunications; appropriating money to facilitate public sector regional telecommunications systems statewide, to create a public sector telecommunications clearinghouse, and to continue STARS telecommunications master planning development, including matching funds for pilot project development, in the Northeast and Southeast regions.

Referred to the Committee on Governmental Operations.

Mr. Metzen, Mrs. Pariseau and Ms. Johnston introduced—

S.F. No. 2451: A bill for an act relating to Dakota county; providing financing for planning activities for the international airport or other transportation; authorizing a regional railroad authority to transfer light rail money.

Referred to the Committee on Transportation.

Mr. Metzen, Mrs. Pariseau and Ms. Johnston introduced—

S.F. No. 2452: A bill for an act relating to Dakota county; appropriating money for planning activities for the potential relocation of the international airport.

Referred to the Committee on Transportation.

Ms. Pappas, Mrs. Adkins, Mses. Reichgott and Berglin introduced—

S.F. No. 2453: A bill for an act relating to health; requiring a program to promote the long-term development of children and to prevent abuse; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mses. Piper, Ranum and Mrs. Brataas introduced—

S.F. No. 2454: A bill for an act relating to health; requiring a program to promote the long-term development of children and to prevent abuse; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mses. Olson; Johnston; Flynn; Johnson, J.B. and Mr. Sams introduced—

S.F. No. 2455: A bill for an act relating to health; requiring a program to promote the long-term development of children and to prevent abuse; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Mrs. Pariseau, Messrs. Metzen and Neville introduced—

S.F. No. 2456: A bill for an act relating to manufactured homes; enacting the manufactured home owners bill of rights; providing penalties; amending

Minnesota Statutes 1990, sections 327.16, subdivision 3; 327C.01, subdivision 1, and by adding a subdivision; 327C.02, subdivision 1, and by adding subdivisions; 327C.04, subdivision 3; 327C.05, subdivisions 1, 2, and by adding subdivisions; and 327C.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 1990, sections 327C.02, subdivisions 2a, 3, 4, and 5; 327C.03; 327C.06; 327C.07, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 327C.08; 327C.09; 327C.10; 327C.11; 327C.12; 327C.13; 327C.14; and 327C.15; and Minnesota Statutes 1991 Supplement, section 327C.06.

Referred to the Committee on Economic Development and Housing.

Mr. Dicklich introduced—

S.F. No. 2457: A bill for an act relating to aquaculture; requiring an environmental impact statement before certain aquaculture permits may be issued; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Samuelson, Mses. Flynn, Berglin, Piper and Mr. Renneke introduced—

S.F. No. 2458: A bill for an act relating to human services; regulating medical assistance payments for the services of occupational and physical therapy assistants.

Referred to the Committee on Health and Human Services.

Mr. Samuelson introduced—

S.F. No. 2459: A bill for an act relating to drivers' licenses; establishing a presumption of consent to making an anatomical gift; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 3; and 171.07, subdivision 5.

Referred to the Committee on Transportation.

Mrs. Pariseau, Ms. Traub and Mrs. Benson, J.E. introduced—

S.F. No. 2460: A bill for an act relating to health; requiring a program to promote the long-term development of children and to prevent abuse; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Messrs. Bertram and Finn introduced—

S.F. No. 2461: A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06.

Referred to the Committee on Local Government.

Mr. Spear and Ms. Ranum introduced—

S.F. No. 2462: A bill for an act relating to insurance; requiring an arbitration ruling before termination of no-fault economic loss benefits; amending Minnesota Statutes 1990, section 65B.54, by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Luther and Solon introduced—

S.F. No. 2463: A bill for an act relating to insurance; solvency; making various technical corrections; amending Minnesota Statutes 1990, sections 60A.03, subdivision 6; and 60A.10, subdivision 4; Minnesota Statutes 1991 Supplement, sections 60A.092, subdivision 3; 60A.11, subdivisions 13 and 20; 60A.112; 60A.12, subdivision 10; 60A.124; and 60D.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 60C; repealing Minnesota Statutes 1991 Supplement, section 72A.206.

Referred to the Committee on Commerce.

Ms. Reichgott, Messrs. Vickerman, Merriam, Laidig and Frederickson, D.R. introduced—

S.F. No. 2464: A bill for an act relating to game and fish; appropriating money for the stocking of Atlantic salmon in inland lakes.

Referred to the Committee on Environment and Natural Resources.

Messrs. Finn, Sams, Mses. Berglin, Piper and Mr. Chmielewski introduced—

S.F. No. 2465: A bill for an act relating to taxation; increasing the tax rate for distilled wine and spirits; authorizing deposits into the chemical dependency treatment fund; amending Minnesota Statutes 1990, sections 254B.02, subdivision 1; 297C.02; and 297C.08.

Referred to the Committee on Taxes and Tax Laws.

Mr. Lessard introduced—

S.F. No. 2466: A bill for an act relating to education; authorizing a special levy for independent school district No. 361, International Falls.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 2467: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; amending Laws 1943, chapter 196, section 4, as amended.

Referred to the Committee on Governmental Operations.

Mses. Reichgott, Berglin, Messrs. Knaak, Luther and Finn introduced—

S.F. No. 2468: A bill for an act relating to human rights; defining certain terms; clarifying certain discriminatory practices; amending Minnesota Statutes 1990, sections 363.01, subdivision 35, and by adding subdivisions; 363.02, subdivision 1; 363.03, subdivisions 1, 2, 3, 4, and 10.

Referred to the Committee on Judiciary.

Messrs. Stumpf; Moe, R.D.; Lessard and Finn introduced—

S.F. No. 2469: A bill for an act relating to natural resources; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; amending Minnesota Statutes 1990, section 84A.55, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau, Mr. Johnson, D.E. and Ms. Johnston introduced—

S.F. No. 2470: A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1990, section 168.125, subdivision 1.

Referred to the Committee on Transportation.

Mr. Hottinger introduced—

S.F. No. 2471: A bill for an act relating to capital improvements; providing for emergency capital expenses at Mankato State University; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Education.

Messrs. Metzen, Solon and Morse introduced—

S.F. No. 2472: A bill for an act relating to economic development; authorizing excursion boat gambling; establishing an excursion boat gambling board; imposing penalties; appropriating money; amending Minnesota Statutes 1990, section 299L.02, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 349C.

Referred to the Committee on Economic Development and Housing.

Messrs. Morse, Price, Davis, DeCramer and Neuville introduced—

S.F. No. 2473: A bill for an act relating to the department of health; establishing a service connection fee for certain public water supply users; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2474: A bill for an act relating to capital improvements; appropriating money for the southern Minnesota rivers basin area II program; authorizing the sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

Messrs. Beckman, Solon, Mehrkens, Belanger and Stumpf introduced—

S.F. No. 2475: A bill for an act relating to commerce; changing the penalty for selling tobacco to a child; adding a penalty for the purchase of or an

attempt to purchase tobacco by a child; amending Minnesota Statutes 1990, section 609.685, subdivisions 1a and 3.

Referred to the Committee on Commerce.

Mr. Samuelson introduced—

S.F. No. 2476: A bill for an act relating to human services; transferring certain mental health grant funds to the community social services block grant; authorizing counties to consolidate funds for mental health services; proposing coding for new law in Minnesota Statutes, chapter 256E; repealing Minnesota Statutes 1990, sections 245.73; and 256E.12, subdivisions 1, 2, and 3; Minnesota Statutes 1991 Supplement, section 256E.12, subdivision 4.

Referred to the Committee on Health and Human Services.

Mr. Stumpf introduced—

S.F. No. 2477: A bill for an act relating to education; authorizing an additional adjustment to the debt redemption fund for a maximum effort capital loan recipient; amending Laws 1991, chapter 265, article 5, section 23.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 2478: A bill for an act relating to education; approving a maximum effort school loan program capital loan.

Referred to the Committee on Education.

Messrs. Stumpf, Finn, Lessard and Novak introduced—

S.F. No. 2479: A bill for an act relating to snowmobiles; exempting testing activities from applicable speed limits under certain conditions; amending Minnesota Statutes 1990, section 84.87, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 2480: A bill for an act relating to education; setting a minimum levy for interactive television costs; amending Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g.

Referred to the Committee on Education.

Ms. Pappas and Mr. Dahl introduced—

S.F. No. 2481: A bill for an act relating to education; amending the post-secondary enrollment options act; reenacting and amending Minnesota Statutes 1990, section 123.3514, subdivisions 6 and 6b, as amended; amending Minnesota Statutes 1991 Supplement, sections 123.3514, subdivision 4; and 135A.03, subdivision 3a; Laws 1991, chapter 265, article 9, section 75; proposing coding for new law in Minnesota Statutes, chapters 123; and 135A.

Referred to the Committee on Education.

Messrs. Dahl, Renneke and Riveness introduced—

S.F. No. 2482: A bill for an act relating to watershed districts; providing for their administrative fund levy.

Referred to the Committee on Environment and Natural Resources.

Mr. Solon introduced—

S.F. No. 2483: A bill for an act relating to alcoholic beverages; authorizing the sale of liqueur-filled candy in confectionery stores; amending Minnesota Statutes 1990, section 31.121.

Referred to the Committee on Commerce.

Mr. Novak introduced—

S.F. No. 2484: A bill for an act relating to pipelines; regulating liquefied natural gas facilities; amending Minnesota Statutes 1990, sections 299J.02, subdivisions 12, 13, and by adding subdivisions; 299J.04; 299J.07, subdivision 1; 299J.10; 299J.12, subdivisions 2 and 3; and 299J.15.

Referred to the Committee on Transportation.

Messrs. DeCramer; Moe, R.D.; Chmielewski and Morse introduced—

S.F. No. 2485: A bill for an act relating to telecommunications; establishing a grant and loan program to assist political subdivisions of the state and other public entities to participate in regional or statewide telecommunications systems; authorizing the issuance and sale of state bonds for the program; appropriating money.

Referred to the Committee on Governmental Operations.

Mr. Sams introduced—

S.F. No. 2486: A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Spear and Berg introduced—

S.F. No. 2487: A bill for an act relating to crimes; expanding RICO racketeering law to include gambling crimes; authorizing the division of gambling enforcement to seize and forfeit property under the criminal forfeiture law; prescribing penalties; amending Minnesota Statutes 1990, section 609.76, subdivision 2; Minnesota Statutes 1991 Supplement, sections 609.531, subdivision 1; 609.76, subdivision 1; and 609.902, subdivision 4.

Referred to the Committee on Judiciary.

Mr. Samuelson introduced—

S.F. No. 2488: A bill for an act relating to human services; repealing the work readiness program; establishing a work assistance program; transferring money to the commissioner of jobs and training; amending Minnesota

Statutes 1990, sections 256D.05, by adding subdivisions: 268.86, subdivisions 2 and 8; 268.871, subdivision 1; and 268.88; Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1990, sections 256D.051, subdivisions 3b, 6b, 7, 9, 10, 13, 14, and 15; 256D.052, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1, 1a, 2, 3, 3a, 6, and 8; 256D.052, subdivisions 3 and 4; 256D.101, subdivisions 1 and 3; and 256D.111, subdivision 5.

Referred to the Committee on Health and Human Services.

Mr. Kelly introduced—

S.F. No. 2489: A bill for an act relating to housing; creating a regional housing revitalization program; imposing a deed tax on certain real property transfers within the metropolitan area; appropriating money; amending Minnesota Statutes 1990, sections 287.21, subdivisions 1 and 2; 287.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Economic Development and Housing.

Mr. Laidig introduced—

S.F. No. 2490: A bill for an act relating to municipalities; requiring municipalities to defend certain board action on zoning ordinances; amending Minnesota Statutes 1990, section 462.357, subdivision 2.

Referred to the Committee on Local Government.

Mr. Stumpf introduced—

S.F. No. 2491: A bill for an act relating to traffic regulations; authorizing television screens in police vehicles; amending Minnesota Statutes 1990, section 169.471, subdivision 1.

Referred to the Committee on Transportation.

Mr. Kelly introduced—

S.F. No. 2492: A bill for an act relating to crime; limiting the use of certain conditions of probation or pretrial release for persons convicted or accused of certain crimes; amending Minnesota Statutes 1990, section 609.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Judiciary.

Mr. Renneke introduced—

S.F. No. 2493: A bill for an act relating to education; transferring the Waseca campus to the state board of technical colleges; specifying conditions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Cohen, Finn, Knaak and Spear introduced—

S.F. No. 2494: A bill for an act relating to probate; establishing a durable health care power of attorney; proposing coding for new law as Minnesota Statutes, chapter 145C.

Referred to the Committee on Judiciary.

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

S.F. No. 2495: A bill for an act relating to taxation; making technical and administrative changes and corrections; amending Minnesota Statutes 1990, sections 60A.19, subdivision 6; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 273.135, subdivision 2; 274.20, subdivisions 1 and 2; 278.01, subdivision 2; 289A.50, subdivision 5; 290.05, subdivision 4; 290.091, subdivision 6; 290A.03, subdivision 8; 290A.19; 297A.15, subdivisions 5 and 6; 469.177, subdivision 1a; 473.446, subdivision 1; 473H.10, subdivision 3; 541.07; Minnesota Statutes 1991 Supplement, sections 124A.23, subdivision 1; 270A.04, subdivision 2; 270A.08, subdivision 2; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivision 7; 273.1399; 275.065, subdivision 5a; 275.125, subdivision 5; 279.03, subdivision 1a; 281.17; 289A.20, subdivision 1; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 375.192, subdivision 2; 423A.02, subdivision 1a; Laws 1991, chapter 291, articles 1, section 65; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13 and 289A; repealing Minnesota Statutes 1990, section 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7.

Referred to the Committee on Taxes and Tax Laws.

Ms. Johnson, J.B. introduced—

S.F. No. 2496: A bill for an act relating to housing; modifying provisions of rehabilitation loans, lease-purchase housing, and urban and rural homesteading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; amending Minnesota Statutes 1990, sections 462A.05, subdivision 14a; 462A.06, subdivision 11; and 462A.202, subdivision 2; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivision 36; 462A.073, subdivision 2; and 462A.30, subdivisions 6 and 9; repealing Minnesota Statutes 1990, section 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 9, section 35.

Referred to the Committee on Economic Development and Housing.

Ms. Johnson, J.B. introduced—

S.F. No. 2497: A bill for an act relating to commerce; defining the responsibilities of ski area operators and skiers; defining the rights and liabilities between skiers and between a skier and a ski area operator; proposing coding for new law as Minnesota Statutes, chapter 86C.

Referred to the Committee on Environment and Natural Resources.

Mr. Luther introduced—

S.F. No. 2498: A bill for an act relating to insurance; no-fault auto; requiring mandatory arbitration of uninsured and underinsured motorist claims; amending Minnesota Statutes 1990, section 65B.49, subdivision 3a.

Referred to the Committee on Commerce.

Messrs. Davis; Merriam; Lessard; Frederickson, D.R. and Chmielewski introduced—

S.F. No. 2499: A bill for an act relating to economic development; authorizing the establishment of the Mille Lacs preservation and development board; providing for the designation of enterprise zones; proposing coding for new law in Minnesota Statutes, chapter 103F.

Referred to the Committee on Environment and Natural Resources.

Ms. Ranum, Messrs. Finn and Neuville introduced—

S.F. No. 2500: A bill for an act relating to crimes; restricting the use of electronic monitoring devices to protect the safety of victims of domestic abuse; requiring the commissioner of corrections to establish standards for devices and for monitoring agencies; limiting the use of electronic monitoring devices for persons convicted of violent crimes; appropriating money; amending Minnesota Statutes 1990, sections 609.02, by adding a subdivision; 609.135, subdivision 1, and by adding a subdivision; and 629.72, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 611A and 629.

Referred to the Committee on Judiciary.

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

S.F. No. 2501: A bill for an act relating to education; allowing certain fund transfers for school districts that are reorganizing; amending Minnesota Statutes 1991 Supplement, sections 121.912, subdivision 6; and 121.915.

Referred to the Committee on Education.

Mr. Kroening introduced—

S.F. No. 2502: A bill for an act relating to the city of Minneapolis; eliminating community resource funding for way to grow program; repealing Minnesota Statutes 1990, section 466A.06, subdivision 2.

Referred to the Committee on Economic Development and Housing.

Mr. Marty introduced—

S.F. No. 2503: A bill for an act relating to telecommunications; authorizing the telecommunications access for communication-impaired persons' board to advance money to contractors under certain conditions; prescribing the terms and compensation of board members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

Referred to the Committee on Energy and Public Utilities.

Messrs. Gustafson; Benson, D.D.; Langseth; Mrs. Brataas and Mr. Stumpf introduced—

S.F. No. 2504: 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, by adding subdivisions; 79.252, subdivisions 1 and 3; 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, 8, and by adding subdivisions; 176.102, subdivisions 1, 2, 4, 6, 9, and 11; 176.103, subdivisions 2, 3, and by adding a subdivision; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.179; 176.181, subdivision 3, and by adding a subdivision; 176.183; 176.215, by adding a subdivision; 176.221, subdivision 6a; 176.261; 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, subdivision 5, and by adding a subdivision; 176A.03, by adding a subdivision; 221.141, subdivision 1; 268.08, subdivision 3; 353.33, subdivision 5; 480A.06, subdivisions 3 and 4; 609.52, subdivision 2; 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; 176.131; 176.132; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Messrs. Waldorf, Merriam and Chmielewski introduced—

S.F. No. 2505: A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; requiring a report to the legislature; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, sections 43A.08, subdivisions 1 and 1a; and 349A.02, subdivision 4.

Referred to the Committee on Governmental Operations.

Mr. Solon, Ms. Pappas, Messrs. Dicklich and Kelly introduced—

S.F. No. 2506: A bill for an act relating to education; authorizing an equalized aid and levy for school districts with low fund balances; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 2507: A bill for an act relating to the city of St. Paul; requiring the commissioner of transportation to conduct an environmental impact

study for Ayd Mill Road; appropriating money.

Referred to the Committee on Transportation.

Messrs. Kroening and Waldorf introduced—

S.F. No. 2508: A bill for an act relating to retirement; the Minneapolis teachers retirement fund association; providing for purchase of allowable service credit for public employment outside the state of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 354A.

Referred to the Committee on Governmental Operations.

Mr. Gustafson, Mrs. Benson, J.E. and Mr. Novak introduced—

S.F. No. 2509: A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; amending Minnesota Statutes 1990, sections 41A.09, subdivision 2, and by adding a subdivision; 239.06; 239.75; 239.79; 239.80; 296.01, subdivisions 1, 2, 3, 4, 4a, 4b, 15, 24, and by adding subdivisions; 296.02, subdivisions 1, 2, and 7; Minnesota Statutes 1991 Supplement, section 239.05, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.75, subdivisions 3 and 4; 239.76, as amended; 239.79, subdivisions 1 and 2; 296.01, subdivision 2a; and 325E.09.

Referred to the Committee on Energy and Public Utilities.

Ms. Flynn, Messrs. DeCramer and Novak introduced—

S.F. No. 2510: A bill for an act relating to transportation; providing for final design and construction of light rail transit by the commissioner of transportation; amending Minnesota Statutes 1990, sections 174.32, subdivisions 2 and 3; 222.50, subdivision 7; 398A.04, by adding a subdivision; 473.167, subdivision 1; 473.384, subdivision 2; 473.399, subdivisions 1 and 3; 473.3994, subdivisions 2, 3, 4, 5, and 7; 473.3996; and 473.4051; Minnesota Statutes 1991 Supplement, sections 117.57, subdivision 3; 398A.04, subdivision 8; and 473.3997; Laws 1991, chapter 291, article 4, section 20; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; Minnesota Statutes 1991 Supplement, section 473.3998.

Referred to the Committee on Metropolitan Affairs.

Mr. Davis introduced—

S.F. No. 2511: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse introduced—

S.F. No. 2512: A bill for an act relating to crime; prohibiting soliciting children to enter a motor vehicle; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Frederickson, D.J. introduced—

S.F. No. 2513: A bill for an act relating to taxes; providing for purchase of certain tax-forfeited lands; amending Minnesota Statutes 1990, sections 282.012; and 282.241.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.J. introduced—

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

Referred to the Committee on Local Government.

Mr. Frederickson, D.J. introduced—

S.F. No. 2515: A bill for an act relating to crime; authorizing collection of fines from inmates' wages; providing that a parent of a victim of harassment who is a minor may seek a restraining order in district court; amending Minnesota Statutes 1990, sections 241.26, subdivision 5; and 609.748, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Frederickson, D.J. introduced—

S.F. No. 2516: A bill for an act relating to human services; requiring the commissioner of human services to set uniform payment rates for alternative care services; amending Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 14.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.J. introduced—

S.F. No. 2517: A bill for an act relating to agriculture; changing maximum annual ethanol producer payments in certain years; transferring certain money for an ethanol producers handbook; amending Minnesota Statutes 1991 Supplement, section 41A.09, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

Mr. Frederickson, D.J. introduced—

S.F. No. 2518: A bill for an act relating to education; establishing the technical and occupational education foundation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

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

S.F. No. 2519: A bill for an act proposing an amendment to the Minnesota Constitution, article X, by adding a section; dedicating part of the sales tax to property tax relief; amending Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Mehrkens and Vickerman introduced—

S.F. No. 2520: A bill for an act relating to motor vehicles; allowing registrar to recover the cost of manufacturing and issuing motor vehicle license plates and stickers; crediting fees from the sale of license plates to the highway user tax distribution fund; amending Minnesota Statutes 1990, sections 168.012, by adding a subdivision; 168.042, by adding a subdivision; 168.12, subdivisions 2 and 5; 168.128, by adding a subdivision; and 168.29; Minnesota Statutes 1991 Supplement, section 168.041, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Mehrkens and Vickerman introduced—

S.F. No. 2521: A bill for an act relating to motor fuels; authorizing commissioner of public safety to make and administer interstate fuel tax agreements; imposing decal fee on interstate motor carriers; amending Minnesota Statutes 1990, section 168.187, subdivisions 17 and 26; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a.

Referred to the Committee on Transportation.

Ms. Berglin introduced—

S.F. No. 2522: A bill for an act relating to the department of jobs and training; appropriating money to supplement certain programs.

Referred to the Committee on Health and Human Services.

Mses. Piper, Berglin and Mr. Benson, D.D. introduced—

S.F. No. 2523: A bill for an act relating to human services; providing for HIV minimum standards; providing for HIV training in chemical dependency treatment programs; expanding exclusion from licensure; providing for integration of residential programs; delegating authority to enforce uniform fire code; setting adult foster care license capacity; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.07, subdivisions 2 and 3; 245A.11; and 299F.011, subdivision 4a; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivision 3; and 245A.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.17.

Referred to the Committee on Health and Human Services.

Mr. Hottinger introduced—

S.F. No. 2524: A bill for an act relating to insurance; Medicare supplement; making various changes in state law required by the federal government; regulating coverages and practices; amending Minnesota Statutes 1990, sections 62A.31, by adding subdivisions; 62A.315; 62A.36, subdivision 1; 62A.38; 62A.39; 62A.42; 62A.44; and 62E.07; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62A.316; and 62E.12; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Commerce.

Mr. Benson, D.D.; Ms. Piper, Messrs. Vickerman and Terwilliger introduced—

S.F. No. 2525: A bill for an act relating to human services; requiring the commissioner to seek federal approval to modify the community-based services waiver program for disabled individuals to allow alternative approaches for attributing income and assets to each spouse when only one spouse is potentially eligible for medical assistance.

Referred to the Committee on Health and Human Services.

Messrs. Davis and Chmielewski introduced—

S.F. No. 2526: A bill for an act relating to taxation; allowing Kanabec county to levy a property tax for the county historical society.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 2527: A bill for an act relating to state lands; authorizing exchange of real property.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau introduced—

S.F. No. 2528: A bill for an act relating to elections; allowing a school district to designate voting hours; amending Minnesota Statutes 1990, section 205A.09.

Referred to the Committee on Elections and Ethics.

Mr. Chmielewski introduced—

S.F. No. 2529: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1990, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Referred to the Committee on Employment.

Mr. Dicklich introduced—

S.F. No. 2530: A bill for an act relating to the city of Virginia; authorizing annual increases in survivor benefits payable by the Virginia firefighters relief association.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 2531: A bill for an act relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Renneke and Stumpf introduced—

S.F. No. 2532: A bill for an act relating to retirement; the public employees retirement association; making changes in eligibility and conditions of eligibility for receipt of disability benefits; amending Minnesota Statutes 1990, sections 353.03, subdivisions 3 and 3a; and 353.33, subdivision 4.

Referred to the Committee on Governmental Operations.

Mr. Benson, D.D. introduced—

S.F. No. 2533: A bill for an act relating to human services; establishing a project to enhance the recovery of overpaid benefits; creating administrative fraud disqualification hearings as an optional method for resolving AFDC and food stamp fraud cases; creating a task force to consider and evaluate mechanisms which would allow the administrative determination of overpayments and their docketing as judgments; defining in-kind income in the AFDC and GA programs; authorizing disqualification from the AFDC and food stamp programs based on administrative fraud hearings; creating and authorizing the use of commissioner's subpoenas in investigations involving public assistance programs; establishing the offense defined as assistance transaction card fraud; establishing a pilot project to examine options designed to enhance the recovery of overpayments in assistance programs; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 256.019; 256.12, by adding a subdivision; 256D.02, subdivision 8; and 256D.35, subdivision 11; Minnesota Statutes 1991 Supplement, section 256.98, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D. introduced—

S.F. No. 2534: A bill for an act relating to human services; revising conditions covered under Minnesota family investment plan; expanding persons considered when determining family income; delaying the date of implementation for field trials of Minnesota family investment plan; amending Minnesota Statutes 1991 Supplement, sections 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; and 256.0361, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D. introduced—

S.F. No. 2535: A bill for an act relating to the jobs and training department; establishing a self-start program; providing employment-related services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D. introduced—

S.F. No. 2536: A bill for an act relating to the department of jobs and training; modifying provisions concerning dislocated worker fund disbursements; amending Minnesota Statutes 1991 Supplement, section 268.022, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D. introduced—

S.F. No. 2537: A bill for an act relating to the jobs and training department; modifying Head Start program provisions; appropriating money; repealing Minnesota Statutes 1991 Supplement, section 268.914, subdivision 2.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2538: A bill for an act relating to nursing homes; regulating payments for nursing homes under receivership agreements; making various technical amendments; amending Minnesota Statutes 1990, sections 245A.13, subdivision 4; 256B.431, subdivision 4; 256B.432, by adding a subdivision; 256B.48, subdivisions 3, 4, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding a subdivision; 256B.50, subdivisions 1b and 2; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, and 9; and 256I.06; Minnesota Statutes 1991 Supplement, sections 252.46, subdivision 3; 256B.49, subdivision 4; and 256I.05, subdivisions 1a, 1b, 2, and 10; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1990, section 256I.05, subdivision 7; Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 7a.

Referred to the Committee on Health and Human Services.

Messrs. Benson, D.D.; Terwilliger and Renneke introduced—

S.F. No. 2539: A bill for an act relating to human services; pertaining to costs of care and reimbursement under medical assistance; changing payment rates for physician services; allowing contracts with preferred provider programs; allowing reimbursement for wheelchairs and wheelchair accessories for ICF/MR recipients; allowing electronic claim submission for medical providers; altering conditions for medical assistance, general assistance medical care, and children's health plan programs; amending Minnesota Statutes 1990, sections 256.9655; 256.969, by adding a subdivision; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.03 by adding a subdivision; 256B.035; 256B.056, subdivisions 1a, 2, 3, 4, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 2; 256B.0595, subdivision 1; 256B.0625, by adding a subdivision; 256B.063; 256B.064, by adding a subdivision; 256B.14, subdivision 2; 256B.15, subdivisions 1, and 2; 256B.36; 256B.433, subdivisions 1, 2, and 3; 256D.02, by adding subdivisions; and 256D.03, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 254B.04, subdivision 1; 256.9685, subdivision 1; 256.969, subdivisions 1 and 2; 256B.0625, subdivision 13; 256B.064, subdivision 2; 256D.03, subdivision 3; Laws 1991, chapter 292, article 4, section 77, subdivisions 1 and 14; repealing Minnesota Statutes 1990, section 256B.056, subdivision 3a; Minnesota Statutes 1991 Supplement, sections 256.9657; 256B.74, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 4, section 79, subdivision 1.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2540: A bill for an act relating to human services; home care; expanding duties of interagency long-term planning committee; clarifying definitions; regulating personal care services, funding for alternative care services, and private nursing services; providing for reimbursement for nursing facilities; providing for case assessments; expanding persons responsible for conducting preadmission screening; expanding funding for services for nonmedical assistance recipients; establishing a statewide caregiver support and respite care project; establishing traumatic brain injury case management; changing conditions under the SAIL project; adjusting the rate for home- and community-based waived services; amending Minnesota Statutes 1990, section 256B.0625, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.31, subdivision 2a; 256.9751, subdivisions 1 and 6; 256B.0625, subdivision 19a; 256B.0627, subdivisions 1, 4, and 5; 256B.0911, subdivisions 3, 7, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding a subdivision; 256B.093, subdivisions 1, 2, and 3; and 256B.49, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 256B; and 256I.

Referred to the Committee on Health and Human Services.

Mr. Benson, D.D.; Ms. Berglin, Mr. Renneke and Ms. Piper introduced—

S.F. No. 2541: A bill for an act relating to human services; changing the required dates for certain residential day and support services plans; excluding certain providers of respite care services from licensing requirements; providing for alternative services for persons with mental retardation; providing grants to businesses that employ persons with mental retardation; providing medical assistance coverage for certain services; changing the distribution of certain case management grants to counties; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 252.291, subdivision 3; 256B.0625, by adding a subdivision; 256B.092, by adding a subdivision; 256B.501, by adding subdivisions; and 256E.14; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 252.28, subdivision 1; 252.50, subdivision 2; 256B.092, subdivision 4; and 256I.05, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Mr. Frederickson, D.R. introduced—

S.F. No. 2542: A bill for an act relating to financing of government in this state; altering certain appropriations for the biennium ending June 30, 1993, with certain conditions; providing for transfer or cancellation of certain money in the state treasury; appropriating money; amending Minnesota Statutes 1990, sections 3.736, subdivision 8; 10A.03, by adding a subdivision; 10A.14, by adding a subdivision; 10A.31, subdivision 4; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 43A.30, subdivisions 4 and 5; 60A.15, subdivision 1; 69.031, subdivision 5; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 121.935, by adding a

subdivision; 123.58, by adding a subdivision; 136A.121, by adding a subdivision; 144.123, subdivision 2; 176.104, subdivision 2, and by adding subdivisions; 176.129, subdivisions 1 and 11; 176.183, subdivision 1; 182.666, subdivision 7; 237.701, subdivision 1; 270.063; 270.71; 289A.26, subdivisions 3, 4, 7, and 9; 290A.03, subdivisions 11 and 13; 290A.19; 297.13, subdivision 1; 299F.21, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 352.92, subdivision 2; 353.27, subdivision 13; 353.65, subdivisions 2, 3, and 7; 356.65, subdivision 1; 363.071, by adding a subdivision; 363.14, subdivision 3; 466.06; 477A.015; 477A.11, subdivision 4; 477A.12; 477A.14; and 490.123, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 16A.15, subdivision 6; 16A.45, subdivision 1; 16A.723, subdivision 2; 43A.316, subdivision 9; 89.37, subdivision 4; 121.904, subdivisions 4a and 4e; 124.195, subdivision 2; 124.479; 135A.03, subdivisions 1a and 3a; 148.91, subdivision 3; 182.666, subdivision 2; 289A.20, subdivision 4; 289A.26, subdivisions 1 and 6; 290A.04, subdivision 2h; 340A.311; 340A.316; and 340A.504, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 124; 178; and 290; repealing Minnesota Statutes 1990, sections 3.737; 3.7371; 41A.051; 84A.51, subdivisions 3 and 4; 84B.11; 85.012, subdivision 27a; 89.036; 179.81; 179.82; 179.83; 179.84; 179.85; 270.185; and 290A.03, subdivisions 12a and 14.

Referred to the Committee on Education.

Messrs. Luther; Johnson, D.J. and Hughes introduced—

S.F. No. 2543: A bill for an act relating to political campaign reform; eliminating political committee transfers and political party and PAC contributions; increasing the political contribution tax refund; providing that data on aggregate contributions received are public data; permitting corporate contributions to a nonprofit corporation formed to hold a national political party convention in Minnesota; requiring county attorneys to be licensed attorneys; requiring filing of certain forms, reports, and statements before receiving a public subsidy; extending validity of advisory opinions; ratifying certain payments; correcting certain references; defining certain terms; changing certain reporting and filing requirements; clarifying language; changing eligibility for public subsidies; authorizing release of certain information; changing certain duties of the ethical practices board; changing requirements for making ballot question expenditures; imposing civil penalties; changing distribution of public campaign subsidies; amending Minnesota Statutes 1990, sections 10A.01, subdivision 3; 10A.02, subdivision 11; 10A.09, subdivision 6a; 10A.12, subdivision 1; 10A.20, subdivision 6; 10A.22, subdivision 7; 10A.24, subdivision 1; 10A.242, by adding a subdivision; 10A.31, subdivisions 5, 6, 7, 8, and 9; 10A.323; 10A.34; 204C.32, subdivision 2; 204C.33, subdivision 3; 211B.15, by adding a subdivision; and 383B.053, subdivision 1; Minnesota Statutes 1991 Supplement, sections 10A.02, subdivision 12; 10A.20, subdivision 3; 290.06, subdivision 23; and 388.01; proposing coding for new law in Minnesota Statutes, chapters 10A; and 211A.

Referred to the Committee on Elections and Ethics.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Novak moved that S.F. No. 2155 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Renneke moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Day be added as chief author to S.F. No. 2493. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 10, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-FIFTH DAY

St. Paul, Minnesota, Tuesday, March 10, 1992

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

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Day and Ms. Traub were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 2, 1992

Mr. Patrick E. Flahaven
Secretary of the Senate

Dear Sir:

Pursuant to Minnesota Laws 1991, and because of the resignation of Mr.

Sams, I have made the following appointment:

Chapter 292, Article 5, Section 62: Minnesota Early Childhood Care and Education Council - Ms. Piper

Sincerely,
Jerome M. Hughes
President of the Senate

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. 1623: A bill for an act relating to alcoholic beverages; authorizing the issuance of an on-sale intoxicating liquor license.

Senate File No. 1623 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 9, 1992

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 1623 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1623: A bill for an act relating to intoxicating liquor; authorizing the city of Brooklyn Park to issue an on-sale license to the city's economic development authority for a restaurant at the Edinburgh, U.S.A. golf course; specifying that the city is the licensee for purposes of civil liability and insurance.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McGowan	Pogemiller
Beckman	Davis	Johnson, D.J.	Mehrkens	Price
Belanger	DeCramer	Johnson, J.B.	Merriam	Reichgott
Benson, D.D.	Finn	Johnston	Metzen	Renneke
Benson, J.E.	Frank	Kelly	Moe, R.D.	Riveness
Berg	Frederickson, D.J.	Kroening	Mondale	Sams
Berglin	Frederickson, D.R.	Langseth	Morse	Solon
Bernhagen	Gustafson	Larson	Neuville	Spear
Bertram	Halberg	Lessard	Olson	Stumpf
Chmielewski	Hottinger	Luther	Pappas	Terwilliger
Cohen	Hughes	Marty	Pariseau	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. 1911, 2259, 917, 2002, 2142, 1827, 1833 and 2044.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 9, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1911: A bill for an act relating to Hubbard county; authorizing the private sale of certain land which was exchanged for tax-forfeited land.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1766, now on General Orders.

H.F. No. 2259: A bill for an act relating to retirement; setting an earlier accrual date for a certain retired member of the state retirement system.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2239.

H.F. No. 917: A bill for an act relating to commerce; requiring additional license for motor vehicle lessor, wholesaler, or auctioneer when establishing additional place of doing business in a second class city outside of the metropolitan area; amending Minnesota Statutes 1990, section 168.27, subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1109, now on General Orders.

H.F. No. 2002: A bill for an act relating to community service; directing the Minnesota office on volunteer services to prepare a federal grant proposal.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1908, now on the Calendar.

H.F. No. 2142: A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

H.F. No. 1827: A bill for an act relating to livestock diseases; modifying requirements for certain tests; providing for adoption of certain rules; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1681, now on the Calendar.

H.F. No. 1833: A bill for an act relating to traffic regulations; permitting certain cities to provide for volunteer enforcement of certain regulations; amending Minnesota Statutes 1990, section 169.346, by adding a subdivision.

Referred to the Committee on Transportation.

H.F. No. 2044: A bill for an act relating to water; creating an exemption from certain requirements relating to once-through water use permits; amending Minnesota Statutes 1990, section 103G.271, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1830, 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. 1914, 2323 and 2314. The motion prevailed.

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

S.F. No. 1297: A bill for an act relating to cooperatives; applying the open meeting law to certain electric cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Delete everything after the enacting clause and insert:

“Section 1. [308A.327] [ELECTRIC COOPERATIVE; BOARD MEETINGS.]

A regular or special meeting of the board of directors of an electric cooperative that has more than 50,000 members must be open to all members of the cooperative. The board shall give reasonable prior notice of meetings. The board may close a meeting or a portion of a meeting, provided the board has made a written determination that a closed meeting is necessary for one of the following reasons:

(1) to discuss personnel matters, compensation issues, labor negotiations, billing and credit information, or an issue that may tend to prejudice the reputation of an individual;

(2) to discuss threatened or pending litigation, issues subject to an attorney-client privilege, or other legal information, the knowledge of which may have an adverse effect on the cooperative's legal position; or

(3) to discuss or disclose information that, if discussed in an open meeting, would result in impairment of the cooperative's competitive or financial position, interfere with a business opportunity, or reveal proprietary information.

For the purposes of clause (3), a business opportunity means an opportunity for substantial financial improvement of the cooperative that, if generally known, would likely jeopardize the opportunity itself.

The board may close a portion of a meeting after announcing during an open meeting the item of business to be discussed during the closed portion.”

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

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

S.F. No. 1993: A bill for an act relating to transportation; providing tax incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; 216C.15, subdivision 1; and 290.01, subdivision 19b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 169; 290; and 473.

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

Page 2, line 2, delete "Such"

Page 2, line 3, delete "roadways shall" and insert "portions must"

Page 2, line 5, delete "shall" and insert "may"

Page 2, line 10, delete "shall" and insert "is" and delete "be"

Page 8, lines 23 and 24, delete "By July 1, 1993."

Page 9, line 1, delete "By July 1, 1993."

Page 9, line 6, delete "Beginning in 1996, and" and delete "after that"

Page 9, line 11, after "designating" insert "or revising the designation of" and after "zones" insert "and vehicle occupancy rate goals"

Page 9, line 17, delete "must" and insert "shall"

Page 10, after line 27, insert:

"Sec. 11. [INITIAL DEADLINES.]

The regional transit board shall initially take the actions required by section 8 according to the following schedule:

(1) the initial collection and analysis of data required by section 8, subdivision 2, must be done by July 1, 1993;

(2) the initial designation of commuter trip reduction zones and setting of vehicle occupancy rate goals required by section 8, subdivision 3, must be done by July 1, 1993; and

(3) notwithstanding section 8, subdivision 3, the periodic review and revision of zones and goals must begin in 1996."

Page 10, line 28, delete "11" and insert "12"

Page 10, line 29, delete "10" and insert "11"

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

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

S.F. No. 1298: A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Page 1, line 9, after "*that*" insert "*has 35,000 or more members and that nominates, elects, or otherwise*"

Page 1, line 13, after the period, insert "*The number of members in any one district or unit may not vary by more than ten percent from the average number of members for the districts or units.*"

Page 1, line 14, before "*If*" insert "*The bylaws must provide for a survey to take place at least once every ten years to determine whether the number of members in a district or local unit has changed.*"

Page 1, line 15, delete "*ten*" and insert "*15*"

Page 1, after line 18, insert:

"Sec. 2. [EFFECTIVE DATE AND APPLICATION.]

Section 1 is effective the day following final enactment. Each electric cooperative subject to section 1 shall survey the location of its members and shall redistrict, if required to do so under that section, within one year after its first annual meeting held after the effective date."

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2350: A bill for an act relating to housing; providing for an emergency mortgage and rental assistance pilot project; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 1839: A bill for an act relating to the city of Richfield; providing for the application of fiscal disparities to a certain tax increment financing district.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Metropolitan Affairs. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 1705: A bill for an act relating to the city of Minneapolis; authorizing the city to issue general obligation bonds to finance certain parking, plaza, and other improvements related to federal courts project.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

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

S.F. No. 1914: A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2323: A bill for an act relating to cultural resources; reorganizing the nature of a Saint Paul tourism and cultural district; appropriating money.

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

Delete everything after the enacting clause and insert:

“Section 1. [MINNESOTA STATE CAPITAL CITY CIVIC AND CULTURAL RESOURCES COMMISSION.]

Subdivision 1. The legislature finds that the capital city of Saint Paul:

(1) encourages the use of many of its downtown facilities for state agencies and their personnel;

(2) encourages a wide range of cultural attractions for tourists and visitors to the capital city that reflect its multicultural city and state community; and

(3) encourages the development of a strong link between downtown civic and cultural amenities to aid in economic development by establishing a true and distinguishable identity, building upon its civic and cultural industries to increase day and night time vitality.

Subd. 2. A Minnesota state capital city civic and cultural resources commission is established to review and recommend to the state legislature, the Ramsey county board, and the mayor of Saint Paul, the proper use of state and local financial resources to develop Saint Paul as a “cultural capital,” a resource for the state and region, including, but not limited to:

(1) acquisition, construction, expansion, and remodeling of facilities comprising the cultural capital area of Saint Paul and downtown, including, but not limited to, the Saint Paul Civic Center complex, Science Museum of Minnesota, Children’s Museum, Minnesota Museum of Art, Minnesota History Center, Ordway Music Theatre, and Landmark Center;

(2) plans for the possible use of the downtown area as educational and visitors’ center for the capital city;

(3) stabilization and ongoing support of the civic and cultural industries; and

(4) development of the Mississippi River front within the downtown area

as a visitor and tourism attraction.

Subd. 3. The commission shall be composed of 22 members selected as follows:

(1) one member from the Minnesota house of representatives, selected by the speaker from among the members whose district represents all or part of the city of Saint Paul;

(2) one member from the Minnesota senate, selected by the senate committee on rules and administration from among the members whose district represents all or part of the city of Saint Paul;

(3) one member of the Ramsey county board, selected by the county board;

(4) the mayor of the city of Saint Paul, who shall be the commission's chair;

(5) two members of the Saint Paul city council, selected by the council;

(6) the lieutenant governor of the state of Minnesota;

(7) eight members of the public, selected by the mayor of the city of Saint Paul, who are residents of or have their principal place of business located within the city of Saint Paul; and

(8) seven members of the public appointed by the Saint Paul city council, with each council member selecting one person who is a resident of the council member's ward.

The commission membership must include representation from the following groups: business, labor, art funders and providers, and civic and education.

Members of the commission shall serve without compensation. Expenses that would be reimbursed for state employees shall be reimbursed to members. The commission may accept gifts, grants, or donations from public and private entities to assist with the cost of its work. Gifts, grants, or donations are not subject to Minnesota Statutes, chapter 10A, or other law or rule regulating lobbying expenses.

Subd. 4. The members of the commission shall hold their first meeting on or before May 15, 1992. The commission shall review plans and recommend priorities for the development and financing of projects and programs. It shall submit a report on its findings and prioritized recommendations to the legislature, the city of Saint Paul, and the Ramsey county board on or before January 1, 1993.

Sec. 2. [EFFECTIVE DATE.]

Section 1 takes effect the day following final enactment and expires upon the submission of the report under section 1, subdivision 4."

Delete the title and insert:

"A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul."

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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 2328: A bill for an act relating to drivers' licenses; eliminating requirement for drivers of special transportation vehicles to take examination for license endorsement; making technical changes; amending Minnesota Statutes 1991 Supplement, sections 171.01, subdivision 24; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.323, subdivisions 1 and 3.

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

Page 2, line 5, strike "special"

Page 2, line 6, strike "transportation service vehicle,"

Page 2, line 8, after the period, insert "*No class of license shall be valid to operate a special transportation service vehicle within the metropolitan area as defined in section 473.121, subdivision 2, unless so endorsed.*"

Page 4, line 11, strike "while a person is so licensed" and insert "*of a person operating a special transportation service vehicle*"

Page 4, line 26, delete "6" and insert "5"

Page 4, line 27, after the period, insert "*Section 6 is effective the day after the rules of the commissioner of transportation under Minnesota Statutes, section 174.30, are adopted.*"

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

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

S.F. No. 2144: A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

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

Page 3, line 8, delete "\$110,000,000" and insert "\$116,500,000"

Page 3, line 10, delete "\$22,600,000" and insert "\$29,100,000"

Page 3, line 12, before the comma, insert "*and replacement service program vehicles*"

Page 3, line 15, delete "\$30,000,000" and insert "\$32,000,000"

Page 3, line 16, delete "\$60,000,000" and insert "\$63,000,000"

Page 3, line 17, delete "\$20,000,000" and insert "\$21,500,000"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2314: A bill for an act relating to cities; requiring an equitable distribution of state and local funds in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.203, by adding a subdivision.

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

Page 1, line 7, delete "469.203" and insert "469.1831"

Page 1, line 9, delete "6" and insert "8"

Page 1, line 11, delete "*targeted*"

Page 1, line 12, delete "*and financing*"

Page 1, lines 13 and 14, delete "*sections 469.201 to 469.206*" and insert "*this section*"

Amend the title as follows:

Page 1, line 3, delete "state and"

Page 1, line 5, delete "469.203" and insert "469.1831"

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. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2335: A bill for an act relating to tax increment financing; authorizing the establishment of manufacturing districts; proposing coding for new law in Minnesota Statutes, chapter 469.

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

Page 2, after line 22, insert:

"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 Taxes and Tax Laws. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1921: A bill for an act relating to drivers' licenses; increasing fees; amending Minnesota Statutes 1990, section 171.06, subdivisions 2 and 4.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Transportation. Report adopted.

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

H.F. No. 1862 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.
1862	1721				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1862 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1862 and insert the language after the enacting clause of S.F. No. 1721, the first engrossment; further, delete the title of H.F. No. 1862 and insert the title of S.F. No. 1721, the first engrossment.

And when so amended H.F. No. 1862 will be identical to S.F. No. 1721, and further recommends that H.F. No. 1862 be given its second reading and substituted for S.F. No. 1721, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 1297, 1298 and 2328 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1862 was read the second time.

MOTIONS AND RESOLUTIONS

Ms. Reichgott moved that her name be stricken as a co-author to S.F. No. 1841. The motion prevailed.

Mr. Mondale moved that the name of Ms. Ranum be added as a co-author to S.F. No. 1841. The motion prevailed.

Ms. Johnston moved that the name of Mr. Marty be added as a co-author to S.F. No. 1870. The motion prevailed.

Mr. Belanger moved that his name be stricken as a co-author to S.F. No. 1997. The motion prevailed.

Mr. Pogemiller moved that the names of Messrs. Sams and Stumpf be added as co-authors to S.F. No. 2273. The motion prevailed.

Mr. Cohen moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2409. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Hottinger be added as a co-author to S.F. No. 2411. The motion prevailed.

Mr. Pogemiller moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Waldorf be shown as chief author to S.F. No. 2418. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Finn be added as a co-author to S.F. No. 2433. The motion prevailed.

Mrs. Pariseau moved that the name of Mr. Marty be added as a co-author to S.F. No. 2456. The motion prevailed.

Ms. Johnson, J.B. moved that the names of Messrs. Solon and Mehrkens be added as co-authors to S.F. No. 2497. The motion prevailed.

Mr. Kroening moved that the name of Ms. Flynn be added as a co-author to S.F. No. 2508. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Morse be added as a co-author to S.F. No. 2517. The motion prevailed.

Ms. Berglin moved that S.F. No. 1790 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Governmental Operations. The motion prevailed.

Mr. Laidig introduced—

Senate Resolution No. 119: A Senate resolution congratulating the Mahomed High School gymnastics team on winning the 1992 Class A State Gymnastics Championship.

Referred to the Committee on Rules and Administration.

Mr. Pogemiller moved that S.F. No. 2388 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Finance. The motion prevailed.

Mr. Finn moved that S.F. No. 1900 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Judiciary. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. DeCramer introduced—

S.F. No. 2544: A bill for an act relating to education; requiring a school breakfast program be operated in certain schools; amending Minnesota Statutes 1991 Supplement, section 124.6472, subdivision 1.

Referred to the Committee on Education.

Ms. Johnson, J.B. introduced—

S.F. No. 2545: A bill for an act relating to consumer protection; providing that tests must be performed on appliances that exhaust air from a residential dwelling; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Johnson, D.E.; Merriam; Benson, D.D. and Moe, R.D. introduced—

S.F. No. 2546: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other

public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1991 Supplement, section 16A.11, subdivision 1.

Referred to the Committee on Finance.

Mr. Pogemiller introduced—

S.F. No. 2547: A bill for an act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 2548: A bill for an act relating to health; authorizing an exception to the nursing home moratorium to allow the replacement of a nursing home condemned as part of a city economic redevelopment plan; amending Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 2549: A bill for an act relating to retirement; judges retirement fund; eliminating the offset for Social Security benefits; amending Minnesota Statutes 1990, section 355.391, subdivision 1; Minnesota Statutes 1991 Supplement, section 490.123, subdivision 1a; repealing Minnesota Statutes 1990, section 490.129.

Referred to the Committee on Governmental Operations.

Messrs. Hottinger and Beckman introduced—

S.F. No. 2550: A bill for an act relating to health; modifying replacement restrictions under the nursing home moratorium exception process; amending Minnesota Statutes 1990, section 144A.073, subdivision 5.

Referred to the Committee on Health and Human Services.

Mr. Stumpf introduced—

S.F. No. 2551: A bill for an act relating to commerce; trade practices; prohibiting certain practices by recreational equipment manufacturers; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Benson, D.D.; Mehrkens; Mmes. Pariseau and Benson, J.E. introduced—

S.F. No. 2552: A bill for an act relating to education; modifying the system for funding K-12 education and realigning responsibilities for governing schools between the state and local school boards; reducing funding for certain aids; reducing the general education tax rate; amending Minnesota Statutes 1991 Supplement, sections 124A.03, subdivision 1c; 124A.04, subdivision 2; and 124A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 477A; repealing Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 1d.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 2553: A bill for an act relating to crimes; machine guns; allowing collectors to possess machine guns manufactured before May 19, 1986; amending Minnesota Statutes 1990, section 609.67, subdivision 3.

Referred to the Committee on Judiciary.

Ms. Olson and Mr. Mehrkens introduced—

S.F. No. 2554: A bill for an act relating to education; making technical, substantive, and clarifying changes to certain provisions governing programs administered by the department; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a and 16; 122.22, by adding a subdivision; 122.23, subdivision 13, and by adding a subdivision; 122.242, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, 2c, and by adding a subdivision; 122.532, subdivision 2; 124C.61; 126.12, subdivision 2; 126.22, by adding a subdivision; 275.125, subdivision 10; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.17, subdivision 3b; 120.181; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 124.19, subdivisions 1 and 1b; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124A.03, subdivisions 2 and 2a; 125.185, subdivision 4a; 125.62, subdivision 6; 275.065, subdivision 1; 373.42, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 7, section 41, subdivision 4; 8, section 14 and section 19, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; and 124.19, subdivision 4.

Referred to the Committee on Education.

Messrs. Neuville; Johnson, D.E.; Benson, D.D. and McGowan introduced—

S.F. No. 2555: A bill for an act relating to education; establishing a higher education savings plan; appropriating money; amending Minnesota Statutes 1990, section 136A.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Education.

Ms. Olson, Mrs. Pariseau and Ms. Johnston introduced—

S.F. No. 2556: A bill for an act relating to education; including in the PER policy a procedure for parents to review the content of instructional materials; amending Minnesota Statutes 1990, section 126.666, subdivision 1.

Referred to the Committee on Education.

Messrs. Neuville; Day; Renneke; Frederickson, D.R. and Benson, D.D. introduced—

S.F. No. 2557: A bill for an act relating to occupations and professions; providing that contractors with five or fewer employees are exempt from regulations as residential building contractors; amending Minnesota Statutes 1991 Supplement, section 326.84, subdivision 3.

Referred to the Committee on Commerce.

Messrs. Finn, Dahl and Dicklich introduced—

S.F. No. 2558: A bill for an act relating to education; modifying the capital expenditure health and safety program; amending Minnesota Statutes 1990, sections 124.83, subdivisions 2 and 6, and by adding subdivisions; 182.666, subdivisions 6 and 7; Minnesota Statutes 1991 Supplement, section 124.83, subdivision 1; Laws 1991, chapter 265, article 5, section 24, subdivision 4.

Referred to the Committee on Education.

Messrs. Marty and Davis introduced—

S.F. No. 2559: A bill for an act relating to agriculture; requiring advance notification procedures for applications of landscape pesticides; requiring posting of warning signs following landscape pesticide application; requiring licensing of retail outlet dealers; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18B.06, by adding a subdivision; 18D.331, by adding a subdivision; and 325F.245, subdivision 2; Minnesota Statutes 1991 Supplement, section 18D.331, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1990, section 18B.09.

Referred to the Committee on Agriculture and Rural Development.

Messrs. DeCramer and Vickerman introduced—

S.F. No. 2560: A bill for an act relating to health; changing the membership requirements of the board of nursing; amending Minnesota Statutes 1990, section 148.181, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.E. introduced—

S.F. No. 2561: A bill for an act relating to human services; regarding transferring and restructuring of work readiness; amending Minnesota Statutes 1990, sections 237.701, subdivision 1; 256D.01, subdivision 1; 256D.02, subdivision 12a; 256D.05, by adding a subdivision; 256D.051, subdivisions 3b, 13, and by adding a subdivision; 256D.09, subdivisions 2a and 3; 261.001, subdivision 1; 261.003; 261.063; and 383A.06, subdivision 1; Minnesota Statutes 1991 Supplement, sections 256D.03, subdivisions 2 and 2a; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 3 and 8; 256D.065; 256D.10; and 256D.101, subdivision 1; repealing Minnesota Statutes 1990, sections 256D.051, subdivisions 6b, 7, 9, 10, and 15; 256D.052; 256D.111; and 256D.113; Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1, 1a, 2, 3a, and 6; 256D.101, subdivision 3; and 261.062.

Referred to the Committee on Health and Human Services.

Messrs. Hottinger, Morse, Langseth, Ms. Flynn and Mr. Finn introduced—

S.F. No. 2562: A bill for an act relating to education; requiring the higher education coordinating board to prorate state grants by the number of credits taken; amending Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6.

Referred to the Committee on Education.

Mr. Bernhagen introduced—

S.F. No. 2563: A bill for an act relating to taxation; proposing administrative and policy changes; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 270.07, subdivision 3; 275.065, subdivision 4; 289A.26, subdivisions 3, 4, 7, and 9; 290.01, subdivision 6; 290A.03, subdivisions 11 and 13; 290A.19; 297A.14, subdivision 1; and 299F.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 10A.322, subdivision 1; 10A.43, subdivision 3; 270A.03, subdivision 7; 289A.20, subdivision 4; 289A.26, subdivisions 1 and 6; 289A.37, subdivision 1; 289A.50, subdivision 1; 290A.04, subdivision 2h; 297A.135, subdivision 1, and by adding a subdivision; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; Laws 1991, chapter 291, article 10, section 23; repealing Minnesota Statutes 1990, sections 10A.43, subdivision 5; 60A.15, subdivision 6; and 290A.03, subdivisions 12a and 14; Minnesota Statutes 1991 Supplement, sections 10A.322, subdivision 4; 290.06, subdivision 23; and 295.367.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bernhagen introduced—

S.F. No. 2564: A bill for an act relating to taxation; property tax relief; changing the funding and payment of certain aids to local governments; requiring a study by the advisory commission on intergovernmental relations; appropriating money; amending Minnesota Statutes 1990, sections

473H.10, subdivision 3; and 477A.015; Minnesota Statutes 1991 Supplement, sections 3.862, subdivision 3; 16A.711, subdivisions 1, 3, and 4; 477A.0132; and 477A.014, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Laws 1991, chapter 291, article 2, section 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Renneke introduced—

S.F. No. 2565: A bill for an act relating to the bureau of mediation services; eliminating the Minnesota public employment relations board; modifying arbitration procedures; amending Minnesota Statutes 1990, sections 14.03, subdivision 2; 43A.06, subdivision 2; 179A.03, subdivisions 3, 5, and 17; 179A.10, subdivisions 1 and 3; 179A.12, subdivision 3; 179A.13, subdivision 3; 179A.16, subdivisions 3, 5, and 8; 179A.17; 179A.18, subdivision 1; 179A.20, subdivision 1; 179A.21, subdivisions 2 and 3; 179A.22, subdivision 4; and 179A.25; Minnesota Statutes 1991 Supplement, sections 179A.04, subdivision 3; 179A.13, subdivision 2; and 179A.16, subdivisions 4, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1990, section 179A.05, as amended.

Referred to the Committee on Governmental Operations.

Mr. Renneke introduced—

S.F. No. 2566: A bill for an act relating to the department of employee relations; modifying expense account terms and uses; amending Minnesota Statutes 1991 Supplement, section 43A.48.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 2567: A bill for an act relating to sentencing; regulating the awarding of jail credit to certain offenders; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Sams, Ms. Johnson, J.B.; Messrs. Davis, Finn and Day introduced—

S.F. No. 2568: A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated cities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; requiring regional development commissions to establish permit information centers; amending Minnesota Statutes 1990, section 116C.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; proposing coding for new law as Minnesota Statutes, chapter 116S.1

Referred to the Committee on Economic Development and Housing.

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

S.F. No. 2569: A bill for an act relating to gambling; permitting church and school fundraisers to include games of chance; amending Minnesota

Statutes 1990, section 609.761, by adding a subdivision.

Referred to the Committee on Gaming Regulation.

Mr. Larson, Ms. Johnston, Messrs. Vickerman, Day and Mrs. Benson, J.E. introduced—

S.F. No. 2570: 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, by adding subdivisions; 79.252, subdivisions 1 and 3; 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, 8, and by adding subdivisions; 176.102, subdivisions 1, 2, 4, 6, 9, and 11; 176.103, subdivisions 2, 3, and by adding a subdivision; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.179; 176.181, subdivision 3, and by adding a subdivision; 176.183; 176.215, by adding a subdivision; 176.221, subdivision 6a; 176.261; 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, subdivision 5, and by adding a subdivision; 176A.03, by adding a subdivision; 221.141, subdivision 1; 268.08, subdivision 3; 353.33, subdivision 5; 480A.06, subdivisions 3 and 4; 609.52, subdivision 2; 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; 176.131; 176.132; 176.135, subdivision 3; and 176.136, subdivision 5.

Referred to the Committee on Employment.

Ms. Berglin introduced—

S.F. No. 2571: A bill for an act relating to human services; revising requirements for collecting fees from recipients of alternative care services; amending Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 12.

Referred to the Committee on Health and Human Services.

Messrs. Lessard and Finn introduced—

S.F. No. 2572: A bill for an act relating to agriculture; requiring labels for packaged wild rice offered for wholesale or retail sale in Minnesota to customers or consumers in Minnesota to include the place of origin and the method of harvesting; eliminating annual reporting requirements and modifying record keeping requirements; amending Minnesota Statutes 1990, section 30.49, subdivisions 1, 2, 3, and by adding subdivisions.

Referred to the Committee on Agriculture and Rural Development.

Mr. Pogemiller, Ms. Ranum, Messrs. Morse; Frederickson, D.R. and Riveness introduced—

S.F. No. 2573: A bill for an act relating to state government; clarifying that the open meeting law applies to advisory bodies; providing that a court may award attorney's fees to the prevailing party in an action brought under the open meeting law; amending Minnesota Statutes 1990, section 471.705, subdivision 2; Minnesota Statutes 1991 Supplement, section 471.705, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Flynn introduced—

S.F. No. 2574: A bill for an act relating to the city of Minneapolis; authorizing community service officers to enforce certain ordinances.

Referred to the Committee on Local Government.

Ms. Berglin introduced—

S.F. No. 2575: A bill for an act relating to human services; establishing nursing facility property reimbursement; amending Minnesota Statutes 1990, sections 246B.41, subdivision 2; 256B.421, subdivision 1; and 256B.431, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1990, section 256B.431, subdivisions 3, 3a, 3b, 3c, 3d, 3g, 3h, 3i, and 3j; Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f; Minnesota Rules, part 9549.0060, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13.

Referred to the Committee on Health and Human Services.

Mr. Laidig introduced—

S.F. No. 2576: A bill for an act relating to the environment; providing that diesel-powered motor vehicles that are exempt from testing may verify the exemption at the place of registration rather than at a testing station; amending Minnesota Statutes 1990, section 116.61, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Laidig introduced—

S.F. No. 2577: A bill for an act relating to lawful gambling; specifying organizations eligible to conduct lawful gambling without a license from the gambling control board; amending Minnesota Statutes 1990, section 349.166, subdivision 2.

Referred to the Committee on Gaming Regulation.

Ms. Berglin introduced—

S.F. No. 2578: A bill for an act relating to chemical abuse prevention and treatment; requiring coordinated prevention efforts concerning fetal alcohol syndrome and drug-exposed infants; appropriating money for community chemical abuse prevention program grants; providing grants for chemical dependency programs targeted at pregnant women and mothers, high-risk youth, and young children; requiring chemical use assessments for certain juveniles at an earlier stage of the juvenile court process; clarifying the

duties of the office of drug policy and the chemical abuse prevention resource council; expanding the council's membership; requiring the development of a chemical health index model; requiring a statewide chemical health media campaign; appropriating money; amending Minnesota Statutes 1990, sections 241.021, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 260.151, subdivision 1; and 260.172, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 299A.30, subdivision 2; 299A.31, subdivision 1; and 299A.32, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapters 145; and 299A.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 2579: A bill for an act relating to education; prohibiting the use of state money to or for schools that use names or mascots demeaning to Native Americans; amending Minnesota Statutes 1990, sections 124.19, by adding a subdivision; and 136A.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 123 and 135A.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 2580: A bill for an act relating to aging; establishing an advisory task force to study issues of concern to Indian elders; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Kroening introduced—

S.F. No. 2581: A bill for an act relating to retirement; providing level benefits for members of the Minneapolis fire department relief association.

Referred to the Committee on Governmental Operations.

Mr. Benson, D.D. introduced—

S.F. No. 2582: A bill for an act relating to counties; animal control; changing authority and procedures for regulating certain dogs and cats and indemnifying livestock owners for damage by dogs; amending Minnesota Statutes 1990, sections 347.08; 347.09; 347.13; and 347.19; proposing coding for new law in Minnesota Statutes, chapters 347 and 375; repealing Minnesota Statutes 1990, sections 347.10; 347.11; 347.12; 347.14; 347.15; and 347.16.

Referred to the Committee on Veterans and General Legislation.

Mr. Mehrkens introduced—

S.F. No. 2583: A bill for an act relating to taxation; sales tax; exempting municipal art organizations from sales tax on tickets and admissions; amending Minnesota Statutes 1990, section 297A.25, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Ms. Pappas, Mr. Hottinger, Meses. Ranum; Johnson, J.B. and Traub introduced—

S.F. No. 2584: A bill for an act relating to community service; providing the Minnesota jobs in community service act; establishing a community service program; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16B; and 121.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B. introduced—

S.F. No. 2585: A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring campus escort services; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Hottinger introduced—

S.F. No. 2586: A bill for an act relating to education; allowing independent school district No. 77, Mankato, to start school before Labor Day in 1992.

Referred to the Committee on Education.

Mr. Hottinger introduced—

S.F. No. 2587: A bill for an act relating to intoxicating liquor; authorizing Blue Earth county to issue an on-sale license to a billiard hall in the county.

Referred to the Committee on Commerce.

Mses. Pappas, Berglin, Messrs. Langseth, Frank and Kelly introduced—

S.F. No. 2588: A bill for an act relating to transportation; abolishing transportation regulation board and transferring regulatory responsibilities for motor carriers and common carriers by rail to department of transportation; amending Minnesota Statutes 1990, sections 174.02, subdivision 4; 174.10; 218.041, subdivision 8; 219.39; 221.022; 221.161, subdivision 1; 221.185, subdivision 5a; 221.221, subdivision 2; 221.295; and 222.633; Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 1; and 174.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 174A.01; 174A.02; 174A.03; 174A.04; 174A.05; 174A.06; 218.011, subdivision 7; 221.011, subdivision 2b; and 221.0315.

Referred to the Committee on Transportation.

Mrs. Pariseau, by request, introduced—

S.F. No. 2589: A bill for an act relating to utilities; authorizing municipalities to enter into franchise agreements with telephone companies; amending Minnesota Statutes 1990, section 237.16, subdivision 1, and by

adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mrs. Pariseau, by request, introduced—

S.F. No. 2590: A bill for an act relating to local government; city special service districts; providing that special services be defined in the city's ordinance; amending Minnesota Statutes 1990, section 428A.01, subdivision 3.

Referred to the Committee on Local Government.

Mrs. Pariseau, Messrs. Bernhagen, Halberg and Ms. Johnston introduced—

S.F. No. 2591: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; providing that the legislature meet in regular session in odd-numbered years.

Referred to the Committee on Elections and Ethics.

Mr. Larson, Ms. Olson, Mr. Vickerman, Mmes. Benson, J.E. and Pariseau introduced—

S.F. No. 2592: A bill for an act relating to state government; forbidding state employees from receiving benefits for airline trips paid for by the state; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Mr. Kroening and Ms. Flynn introduced—

S.F. No. 2593: A bill for an act relating to retirement; Minneapolis teachers; providing authority for Minneapolis teachers retirement fund association to amend its articles of incorporation to modify disability benefits for basic program members.

Referred to the Committee on Governmental Operations.

Mses. Pappas, Ranum, Messrs. Belanger; Frederickson, D.J. and Ms. Reichgott introduced—

S.F. No. 2594: A bill for an act relating to taxation; imposing additional sales tax on adult oriented materials; providing for deposit of the revenue in a sexual assault and domestic violence account; amending Minnesota Statutes 1990, sections 297A.01, by adding a subdivision; 297A.02, by adding a subdivision; and 297A.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Taxes and Tax Laws.

Mr. Renneke introduced—

S.F. No. 2595: A bill for an act relating to utilities; making adjustments in how telephone service rates are determined when extended area telephone service is established; amending Minnesota Statutes 1990, section 237.161, subdivision 3, and by adding a subdivision.

Referred to the Committee on Energy and Public Utilities.

Mrs. Brataas, Messrs. Stumpf, Morse, Renneke and Waldorf introduced—

S.F. No. 2596: A bill for an act relating to retirement; public employees police and fire fund; authorizing the purchase of service credit for military service by honorably discharged veterans; proposing coding for new law in Minnesota Statutes, chapter 353.

Referred to the Committee on Governmental Operations.

Ms. Pappas, Messrs. Novak, Spear, Marty and Knaak introduced—

S.F. No. 2597: A bill for an act relating to state government; increasing the size of the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council; amending Minnesota Statutes 1991 Supplement, section 3.9226, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Finn, Stumpf, Hottinger, Langseth and Samuelson introduced—

S.F. No. 2598: A bill for an act relating to education; amending post-secondary enrollment options funding for school districts for fiscal year 1993 and later years; reenacting and amending Minnesota Statutes 1990, section 123.3514, subdivisions 6 and 6b, as amended; and amending Laws 1991, chapter 265, article 9, section 75.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 2599: A bill for an act relating to retirement; Columbia Heights paid firefighters relief association; authorizing the termination of the relief association; providing a procedure for the conversion of retirement benefits for the active and retired membership; continuing certain state aid payments; amending Laws 1965, chapter 605, sections 5, 16, 18 and 31; Laws 1975, chapter 424, section 13; and Laws 1977, chapter 374, sections 39, 40, 45, 47, 49, 51, as amended, and 54; repealing Laws 1965, chapter 605, sections 1, 2, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, and 30; Laws 1975, chapter 424, sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12; Laws 1977, chapter 374, sections 38, 48, 52, 53, 56, 57, 58, and 59; Laws 1978, chapter 563, sections 29 and 30; Laws 1979, chapter 201, section 40; and Laws 1981, chapter 224, section 267.

Referred to the Committee on Governmental Operations.

Mr. Beckman, Ms. Traub, Messrs. Metzen and Davis introduced—

S.F. No. 2600: A bill for an act relating to economic development; creating a mission statement for the department of trade and economic development; proposing coding for new law in Minnesota Statutes, chapter 116J.

Referred to the Committee on Economic Development and Housing.

Mr. Beckman, Ms. Traub, Messrs. Metzen and Davis introduced—

S.F. No. 2601: A bill for an act relating to economic development; creating standards for quasi-public agencies; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations.

Ms. Berglin, Mr. Benson, D.D.; Ms. Piper and Mr. Larson introduced—

S.F. No. 2602: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Referred to the Committee on Commerce.

Ms. Berglin, Mr. Benson, D.D.; Ms. Piper, Mr. Larson and Mr. Johnson, D.J. introduced—

S.F. No. 2603: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Mr. Benson, D.D.; Ms. Piper, Mrs. Benson, J.E. and Mr. Hottinger introduced—

S.F. No. 2604: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Referred to the Committee on Judiciary.

Messrs. Johnson, D.J.; Riveness; Samuelson and Beckman introduced—

S.F. No. 2605: A bill for an act relating to the emergency jobs program; modifying program conditions; amending Minnesota Statutes 1990, sections 268.676, subdivision 1; 268.77, subdivision 1; and 268.681, subdivisions 1 and 2.

Referred to the Committee on Economic Development and Housing.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, March 11, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, March 11, 1992

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Beckman, Bertram and Waldorf were excused from the Session of today.

REPORTS OF COMMITTEES

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

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

S.F. No. 1898: A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, sections 144.413, subdivision 2; and 144.417, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 144.413, subdivision 2, is amended to read:

Subd. 2. [PUBLIC PLACE.] “Public place” means any enclosed, indoor area used by the general public or serving as a place of work, including, but not limited to, restaurants, retail stores, offices and other commercial establishments, public conveyances, educational facilities *other than public schools, as defined in section 120.05, subdivision 2*, hospitals, nursing homes, auditoriums, arenas and meeting rooms, but excluding private, enclosed offices occupied exclusively by smokers even though such offices may be visited by nonsmokers.

Sec. 2. [144.4165] [TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.]

No person shall at any time smoke or use any other tobacco product in a public school, as defined in section 120.05, subdivision 2. This prohibition extends to all facilities, whether owned, rented, or leased, all school grounds, and all vehicles that a school district owns, leases, rents, or controls. This prohibition does not apply to a technical college.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 15, 1993.”

Delete the title and insert:

“A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, section 144.413, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.”

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

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

S.F. No. 1813: A bill for an act relating to education; allowing children to attend school for 30 days without participating in early childhood developmental screening; allowing parents to decline to provide certain information without penalty; adding health history as an optional screening component; adding height and weight as a required component; amending Minnesota Statutes 1991 Supplement, section 123.702, subdivisions 1, 1a, and 1b.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a mandatory program of early childhood developmental screening for children who are four years old and older but who have not entered kindergarten or first grade in a public school. This screening program shall be established either by one

board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. ~~This screening examination is a mandatory prerequisite to enrolling a student~~ *A child who is enrolled in kindergarten or first grade in a public school must receive developmental screening according to this section.* A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received ~~comparable~~ developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers in implementing the program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled ~~in this state~~ in kindergarten or first grade in a public school ~~until~~ unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening *not later than 30 days after the first day of attendance.* If a child is transferred from one kindergarten to another or from one first grade to another, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Sec. 3. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 1b, is amended to read:

Subd. 1b. (a) A screening program shall include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, *the child's height and weight*, review of any special family circumstances that ~~might~~ may affect development, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. *The school district and the person performing or supervising the screening shall provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that may affect development and identification of risk factors that may influence learning. The notice shall clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. The notice shall be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and shall be given again at the screening location. If a parent or guardian is not able to read and comprehend the written notice, the school district and the person performing or supervising the screening must convey the information in another manner.*

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. No developmental screening program shall provide laboratory tests, ~~a health history~~ or a physical examination to any child. The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test, ~~health history~~ or physical examination within the 12 months preceding a child's

scheduled screening.

(c) If a child is without health coverage, the school district shall refer the child to an appropriate health care provider.

(d) A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, ~~and~~ laboratory tests, *and health history*. State aid shall not be paid for additional components.”

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

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

S.F. No. 1252: A bill for an act relating to state lands; authorizing the commissioner of administration to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

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

Amend the title as follows:

Page 1, lines 2 and 3, delete “commissioner of administration” and insert “Minnesota veterans homes board”

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

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

S.F. No. 2029: A bill for an act relating to veterans; clarifying procedures for searches of veterans’ home residents’ rooms or property; amending Minnesota Statutes 1990, section 198.33, subdivision 1.

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

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

S.F. No. 2013: A bill for an act relating to state government; adopting the square dance as the American folk dance of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2210: A bill for an act relating to Ramsey county; providing for the certification of eligibles for county positions; amending Minnesota Statutes 1990, section 383A.291, by adding a subdivision.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2208: A bill for an act relating to Olmsted county; permitting certain exemptions for the conveyance of certain county property.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2170: A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding subdivisions.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2009: A bill for an act relating to the city of Cloquet; permitting the city to issue bonds for a water line.

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. 1693: A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

Reports the 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 147.091, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the

licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board

orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in which proceeding actual injury to a patient need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant financial interest unless the physician has disclosed the physician's own financial interest; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

(v) *Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:*

(1) *a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;*

(2) *a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;*

(3) *a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or*

(4) *a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.*

Sec. 2. [147.36] [PHYSICIAN ASSISTANT; DISCIPLINARY OPTIONS FOR AIDING OR ATTEMPTING TO AID SUICIDE.]

The board of medical examiners shall refuse to grant or renew a registration, or shall suspend or revoke a registration, or use any reasonable lesser remedy against a physician assistant if the assistant aids suicide or aids attempted suicide in violation of section 609.215 as established by any of the following:

(1) *a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;*

(2) *a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;*

(3) *a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or*

(4) *a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.*

Sec. 3. Minnesota Statutes 1990, section 148.261, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board shall have power to deny, revoke, suspend, limit, or condition the license and registration of any person to practice professional or practical nursing pursuant to sections 148.171 to 148.285, or to otherwise discipline a licensee or applicant as described in section 148.262. The following are grounds for disciplinary action:

(1) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in section 148.171 to 148.285 or rules of the board.

In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements.

(2) Employing fraud or deceit in procuring or attempting to procure a permit, license, or registration certificate to practice professional or practical nursing or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to:

(i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or

(iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(3) Conviction during the previous five years of a felony or gross misdemeanor reasonably related to the practice of professional or practical nursing. Conviction as used in this subdivision shall include a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(4) Revocation, suspension, limitation, conditioning, or other disciplinary action against the person's professional or practical nursing license in another state, territory, or country; failure to report to the board that charges regarding the person's nursing license are pending in another state, territory, or country; or having been refused a license by another state, territory, or country.

(5) Failure to or inability to perform professional or practical nursing as defined in section 148.171, paragraph (3) or (5), with reasonable skill and safety, including failure of a registered nurse to supervise or a licensed practical nurse to monitor adequately the performance of acts by any person working at the nurse's direction.

(6) Engaging in unprofessional conduct including, but not limited to, a departure from or failure to conform to board rules of professional or practical nursing practice that interpret the statutory definition of professional or practical nursing as well as provide criteria for violations of the statutes, or, if no rule exists, to the minimal standards of acceptable and prevailing professional or practical nursing practice, or any nursing practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause.

(7) Delegating or accepting the delegation of a nursing function or a prescribed health care function when the delegation or acceptance could reasonably be expected to result in unsafe or ineffective patient care.

(8) Actual or potential inability to practice nursing with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition.

(9) Adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or without this state.

(10) Engaging in any unethical conduct including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause.

(11) Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient, or engaging in sexual exploitation of a patient or former patient.

(12) Obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud.

(13) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(14) Engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws.

(15) Improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to section 144.335, or to furnish a patient record or report required by law.

(16) Knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of professional or practical nursing.

(17) Violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of professional or practical nursing, or a state or federal narcotics or controlled substance law.

(18) Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 4. Minnesota Statutes 1990, section 150A.08, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The board may refuse or by order suspend or revoke, limit or modify by imposing conditions it deems necessary, any license to practice dentistry or dental hygiene or the registration of any dental assistant upon any of the following grounds:

(1) Fraud or deception in connection with the practice of dentistry or the securing of a license or annual registration certificate;

(2) Conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice of dentistry as evidenced by a certified copy of the conviction;

(3) Conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of an offense involving moral turpitude as evidenced by a certified copy of the conviction;

(4) Habitual overindulgence in the use of intoxicating liquors;

(5) Improper or unauthorized prescription, dispensing, administering, or personal or other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter 151, or of any controlled substance as defined in chapter 152;

(6) Conduct unbecoming a person licensed to practice dentistry or dental hygiene or registered as a dental assistant, or conduct contrary to the best interest of the public, as such conduct is defined by the rules of the board;

(7) Gross immorality;

(8) Any physical, mental, emotional, or other disability which adversely affects a dentist's, dental hygienist's, or registered dental assistant's ability to perform the service for which the person is licensed or registered;

(9) Revocation or suspension of a license, registration, or equivalent authority to practice, or other disciplinary action or denial of a license or registration application taken by a licensing, registering, or credentialing authority of another state, territory, or country as evidenced by a certified copy of the licensing authority's order, if the disciplinary action or application denial was based on facts that would provide a basis for disciplinary action under this chapter and if the action was taken only after affording the credentialed person or applicant notice and opportunity to refute the allegations or pursuant to stipulation or other agreement;

(10) Failure to maintain adequate safety and sanitary conditions for a dental office in accordance with the standards established by the rules of the board;

(11) Employing, assisting, or enabling in any manner an unlicensed person to practice dentistry;

(12) Failure or refusal to attend, testify, and produce records as directed by the board under subdivision 7; ~~or~~

(13) Violation of, or failure to comply with, any other provisions of sections 150A.01 to 150A.12, the rules of the board of dentistry, or any disciplinary order issued by the board or for any other just cause related to the practice of dentistry. Suspension, revocation, modification or limitation of any license shall not be based upon any judgment as to therapeutic or monetary value of any individual drug prescribed or any individual treatment rendered, but only upon a repeated pattern of conduct; *or*

(14) *Aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:*

(i) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(ii) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(iii) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(iv) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2.

Sec. 5. Minnesota Statutes 1990, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

- (1) to regulate the practice of pharmacy;
- (2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;
- (3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;
- (4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;
- (5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;
- (6) to license wholesale drug distributors;
- (7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:
 - (i) fraud or deception in connection with the securing of such license or registration;
 - (ii) in the case of a pharmacist, conviction in any court of a felony;
 - (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;
 - (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;
 - (v) unprofessional conduct or conduct endangering public health;
 - (vi) gross immorality;
 - (vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;
 - (viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

(x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

(xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; ~~or~~

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state; *or*

(xiii) in the case of a pharmacist, aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(a) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(b) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(c) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(d) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(8) to employ necessary assistants and make rules for the conduct of its business; and

(9) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.

(c) [RULES.] For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

Sec. 6. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 3. [ACTS OR OMISSIONS NOT CONSIDERED AIDING SUICIDE OR AIDING ATTEMPTED SUICIDE.] (a) A health care provider, as defined in section 145B.02, subdivision 6, who administers, prescribes, or dispenses medications or procedures to relieve another person's pain or discomfort, even if the medication or procedure may hasten or increase the risk of death, does not violate this section unless the medications or procedures are knowingly administered, prescribed, or dispensed to cause death.

(b) A health care provider, as defined in section 145B.02, subdivision 6,

who withholds or withdraws a life-sustaining procedure in compliance with chapter 145B or in accordance with reasonable medical practice does not violate this section.

Sec. 7. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 4. [INJUNCTIVE RELIEF.] A cause of action for injunctive relief may be maintained against any person who is reasonably believed to be about to violate or who is in the course of violating this section by any person who is:

(1) the spouse, parent, child, or sibling of the person who would commit suicide;

(2) an heir or a beneficiary under a life insurance policy of the person who would commit suicide;

(3) a health care provider of the person who would commit suicide;

(4) a public official authorized to prosecute or enforce the laws of this state; or

(5) a legally appointed guardian or conservator of the person who would have committed suicide.

Sec. 8. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 5. [CIVIL DAMAGES.] A person given standing by subdivision 4, clause (1), (2), or (5), or the person who would have committed suicide, in the case of an attempt, may maintain a cause of action against any person who violates or who attempts to violate subdivision 1 or 2 for compensatory damages and punitive damages as provided in section 549.20. A public official described in subdivision 4, clause (4), may maintain a cause of action against a person who violates or attempts to violate subdivision 1 or 2 for a civil penalty of up to \$50,000 on behalf of the state. An action under this subdivision may be brought whether or not the plaintiff consented to or had prior knowledge of the violation or attempt.

Sec. 9. Minnesota Statutes 1990, section 609.215, is amended by adding a subdivision to read:

Subd. 6. [ATTORNEY FEES.] Reasonable attorney fees shall be awarded to the prevailing plaintiff in a civil action brought under subdivision 4 or 5."

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

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

S.F. No. 1671: A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

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

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

S.F. No. 1866: A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to persons not otherwise liable who undertake and complete cleanup actions under an approved cleanup plan; providing for submission and approval of cleanup plans and supervision of cleanup by the commissioner of the pollution control agency; authorizing the commissioner of the pollution control agency to issue determinations or enter into agreements with property owners near the source of releases of hazardous substances regarding future cleanup liability; appropriating money; amending Minnesota Statutes 1990, section 115B.17, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 115B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2177: A bill for an act relating to juries; prohibiting exclusion from jury service based on a disability; amending Minnesota Statutes 1990, section 593.32.

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

Page 1, line 11, before "*disability*" insert "*a physical or sensory*" and delete everything after "*disability*"

Page 1, line 12, delete the new language

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

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

S.F. No. 1644: A bill for an act relating to commerce; regulating negotiable instruments; adopting the revised article 3 of the Uniform Commercial Code with conforming amendments to articles 1 and 4 approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws.

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

Page 95, line 30, after the second semicolon, insert "*336.3-120; 336.3-121; 336.3-122;*"

Page 95, line 31, after the fourth semicolon, insert "*336.3-208;*"

Page 95, line 33, delete everything after the first semicolon

Page 95, line 37, delete "*336.3-420;*"

Page 95, line 38, after the fifth semicolon, insert "*336.3-506; 336.3-507; 336.3-508; 336.3-509; 336.3-510; 336.3-511;*"

Page 95, line 39, before the comma, insert "*;; 336.3-606; 336.3-701; 336.3-801; 336.3-802; 336.3-803; 336.3-804; 336.3-805*"

Amend the title as follows:

Page 1, line 7, before the period, insert "*;* amending Minnesota Statutes

1990, sections 336.1-201; 336.1-207; 336.4-101; 336.4-102; 336.4-103; 336.4-104; 336.4-105; 336.4-106; 336.4-107; 336.4-108; 336.4-201; 336.4-202; 336.4-203; 336.4-204; 336.4-205; 336.4-206; 336.4-207; 336.4-208; 336.4-209; 336.4-210; 336.4-211; 336.4-212; 336.4-213; 336.4-214; 336.4-301; 336.4-302; 336.4-303; 336.4-401; 336.4-402; 336.4-403; 336.4-404; 336.4-405; 336.4-406; 336.4-407; 336.4-501; 336.4-502; 336.4-503; and 336.4-504; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1990, sections 336.3-101 to 336.3-805; and 336.4-109”

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. 1985: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 15.

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

Page 1, line 15, delete “*statement*” and insert “*goal*”

Page 2, line 3, delete “*eliminating*” and insert “*elimination*”

Page 2, after line 18, insert:

“*Subd. 4. [LIABILITY.] This section does not create any civil liability on the part of the state of Minnesota.*”

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2239: A bill for an act relating to retirement; setting an earlier accrual date for a certain retired member of the state retirement system.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2486: A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

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

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

S.F. No. 1699: A bill for an act relating to courts; providing for the creation of a board of Minnesota certified shorthand court reporters; proposing coding for new law in Minnesota Statutes, chapter 486.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, delete section 1

Page 1, line 17, delete "486.11" and insert "486.10"

Page 1, line 25, delete "*in the state of Minnesota*"

Page 2, lines 4 and 16, delete "*Minnesota*"

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

Page 2, line 14, delete "486.12" and insert "486.11" and delete "MINNESOTA"

Page 2, line 36, delete "486.13" and insert "486.12"

Page 3, line 1, delete "*Subject to the approval of the supreme court,*"

Page 3, line 2, delete "may" and insert "shall"

Page 3, line 4, delete "*within Minnesota*"

Page 3, line 6, delete "*for applicants*" and delete "*Minnesota*"

Page 3, line 11, delete "*Minnesota shorthand certified*" and insert "*certified shorthand*"

Page 3, lines 15, 19, 31, and 35, delete "*Minnesota*"

Page 3, line 20, before "By" insert "*The board shall submit proposed rules to the supreme court for review and approval before final adoption.*"

Page 3, line 23, delete "486.14" and insert "486.13"

Page 3, line 24, delete "7" and insert "6"

Page 3, line 29, delete "486.15" and insert "486.14"

Page 4, line 2, delete "486.16" and insert "486.15"

Page 4, lines 4 and 6, delete "6" and insert "5"

Page 4, line 7, delete "486.17" and insert "486.16"

Page 4, line 10, delete "*Minnesota*"

Page 4, after line 12, insert:

"Sec. 8. [486.17] [PENALTY; UNAUTHORIZED PRACTICE.]

A person may not engage in the practice of shorthand court reporting without being licensed or registered in accordance with the rules adopted by the board and the supreme court. A record made by a shorthand court reporter who is not licensed or registered in accordance with the rules adopted by the board and the supreme court is not admissible in any judicial or administrative proceeding."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "*Minnesota*"

Page 1, line 4, after the semicolon, insert "imposing penalties;"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2375: A bill for an act relating to the city of Ely; permitting a local sales tax.

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

Page 2, line 8, delete everything after "*project*"

Page 2, line 9, delete "*subdivision 8*"

Page 3, delete lines 35 and 36

Page 4, delete lines 1 to 9

Page 4, line 10, delete "9" and insert "8"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2293: A bill for an act relating to local government; prohibiting publication of pictures of officials in county and city publications; amending Minnesota Statutes 1990, section 471.68, by adding a subdivision.

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

Page 1, line 13, delete "*or administrative*"

Page 1, line 16, after the period, insert "*Directories of public services provided by the county or city are exempt from this subdivision.*"

Amend the title as follows:

Page 1, line 3, after "in" insert "certain"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2171: A bill for an act relating to Kandiyohi county; permitting the consolidation of the offices of auditor and treasurer.

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

Page 1, line 7, after "*commissioners*" insert "*or the Chippewa county board of commissioners in their respective counties*"

Page 2, line 10, after "*effect*" insert "*for Kandiyohi county*"

Page 2, line 13, after the period, insert "*This act takes effect for Chippewa county the day after the filing of a certificate of local approval by the Chippewa county board in compliance with Minnesota Statutes, section 645.021, subdivision 3.*"

Amend the title as follows:

Page 1, line 2, delete "county" and insert "and Chippewa counties"

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. 1691: A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, and by adding subdivisions; 488A.12, subdivision 3; and 488A.29, subdivision 3; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, section 487.30, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any 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;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995; or

(15) an officer, partner, or employee from appearing on behalf of a corporation, partnership, sole proprietorship, or association in conciliation court in accordance with section 8.

Sec. 2. Minnesota Statutes 1990, section 487.30, subdivision 1, is amended to read:

Subdivision 1. [JURISDICTION; GENERAL.] ~~(a) Except as provided in paragraph (b),~~ The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed ~~\$4,000~~ \$5,000 for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the ~~county~~ district court for a trial on the merits. *Except as otherwise provided in this section,* the territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established.

~~(b) If the claim involves a consumer credit transaction, the amount of money or property that is the subject matter of the claim may not exceed \$2,500. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:~~

~~(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;~~

~~(2) the buyer is a natural person;~~

~~(3) the claimant is the seller or lender in the transaction; and~~

~~(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose. The summons in an action under subdivisions 3a to 4 may be served anywhere within the state. The conciliation court does not have jurisdiction to hear a claim brought by a person who has purchased or for other value taken an assignment of the claim after the claim arose.~~

(b) If the controversy concerns the ownership or possession of personal property the value of which does not exceed \$5,000, the court may determine the ownership and possession of the property and order any party to deliver the property to another party. The order is enforceable by the sheriff of the county in which the property is located without further legal process.

Sec. 3. Minnesota Statutes 1990, section 487.30, subdivision 3a, is amended to read:

Subd. 3a. [JURISDICTION; STUDENT LOANS.] ~~Notwithstanding the provisions of subdivision 1 or any rule of court to the contrary,~~ The conciliation court *also* has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of the county under the following conditions:

(a) the student loan or loans were originally awarded in the county in which the conciliation court is located;

(b) the loan or loans are overdue at the time the action is commenced;

~~(c) the amount sought in any single action does not exceed \$4,000;~~

~~(d) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and~~

~~(e) (c) the notice states that the educational institution may commence a~~

conciliation court action in the county where the loan was awarded to recover the amount of the loan.

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~

Sec. 4. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3b. [JURISDICTION; FOREIGN DEFENDANTS.] (a) A conciliation court action may be commenced against a foreign corporation doing business in this state in the county where the corporation's registered agent is located, or if the corporation does not appoint or maintain a registered agent in this state, in the county in which the plaintiff resides.

(b) In the case of a nonresident other than a foreign corporation, if this state has jurisdiction under section 543.19, a conciliation court action may be commenced against the nonresident in the county in which the plaintiff resides.

Sec. 5. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3c. [JURISDICTION; MULTIPLE DEFENDANTS.] A conciliation court action may be commenced by a plaintiff against two or more defendants in the county in which one or more of the defendants resides. Counterclaims may be commenced in the county where the original action was commenced.

Sec. 6. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3d. [JURISDICTION; CERTAIN CLAIMS ARISING OUT OF RENTAL PROPERTY.] An action under section 504.20 for the recovery of a deposit on rental property, or an action under section 504.245, 504.255, or 504.26, also may be brought in the county in which the rental property is located.

Sec. 7. Minnesota Statutes 1990, section 487.30, subdivision 4, is amended to read:

Subd. 4. [JURISDICTION; DISHONORED CHECKS.] The conciliation court also has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of the county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This subdivision does not apply to a check that has been dishonored by a stop payment order.
~~Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The court administrator of conciliation court shall attach a copy of the dishonored check to the summons before it is issued.~~

Sec. 8. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 4a. [ATTORNEYS; REPRESENTATION.] (a) A party to a conciliation court action may appear without an attorney or may be represented by an attorney when the conciliation court, in its discretion, finds the interests of justice would best be served by that representation, and it is limited to the extent and in the manner that the judge considers helpful. The court shall adopt simplified procedures to allow parties to represent themselves.

(b) A corporation, partnership, sole proprietorship, or association may be represented by an officer or partner who is not an attorney or may appoint an employee who is not an attorney to appear on its behalf or settle a claim in conciliation court. If all of the partners or shareholders of a partnership, association, or corporation are attorneys, an officer, partner, or employee representing the partnership, association, or corporation may be an attorney. In the case of an employee, an authorized power of attorney or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing.

Sec. 9. Minnesota Statutes 1990, section 487.30, subdivision 7, is amended to read:

*Subd. 7. [NOTICE OF COSTS ON REMOVAL.] A notice of order for judgment shall contain a statement that if the cause is removed to ~~county~~ district court, the court may, ~~in its discretion,~~ allow the prevailing party to recover from the aggrieved party an amount not to exceed \$50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. *The notice must also contain a statement that if the removing party does not prevail, the opposing party will be awarded costs as provided under subdivision 8, and must include the actual dollar amount of costs applicable to the case.**

Sec. 10. Minnesota Statutes 1990, section 487.30, subdivision 8, is amended to read:

Subd. 8. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover costs from the opposing party as provided by rules of the supreme court. If the removing party does not prevail, the court shall award the opposing party an additional ~~\$200~~ amount as costs equal to five percent of the conciliation court jurisdictional limit applicable to the original claim.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least \$500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party

recovered in conciliation court by at least \$500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less.

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

Sec. 11. Minnesota Statutes 1990, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) ~~Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of \$4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed \$2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.~~

(b) ~~Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.~~

(c) ~~Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Hennepin county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.~~

(d) ~~Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Hennepin county under the following conditions:~~

(1) ~~the student loan or loans were originally awarded in Hennepin county;~~

(2) the loan or loans are overdue at the time the action is commenced;

(3) the amount sought in any single action does not exceed \$3,500;

(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

(5) the notice states that the educational institution may commence a conciliation court action in Hennepin county to recover the amount of the loan.

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued. The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Hennepin county.~~

Sec. 12. Minnesota Statutes 1990, section 488A.15, subdivision 2, is amended to read:

Subd. 2. [APPEARANCE OF PARTIES, ATTORNEYS.] Any party may appear in 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 when the conciliation court, in its discretion, finds the interests of justice would best be served by that representation, and it is limited to the extent and in the manner that the judge, in the judge's discretion, deems helpful to accomplish the purposes of this act. The court shall adopt simplified procedures to allow parties to represent themselves.~~

Sec. 13. Minnesota Statutes 1990, section 488A.16, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] The court administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to ~~municipal~~ district court. The notice shall contain a statement that if the cause is removed to ~~municipal~~ district court, the court may, ~~in its discretion,~~ allow the prevailing party to recover from the aggrieved party an amount not to exceed \$50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. ~~The notice must also contain a statement that if the removing party does not prevail, the opposing party will be awarded costs as provided under section 488A.17, subdivision 10, and must include the actual dollar amount of costs applicable to the case.~~

Sec. 14. Minnesota Statutes 1990, section 488A.17, subdivision 10, is amended to read:

Subd. 10. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover \$5 as costs from the opposing party, together with disbursements in conciliation and district court. If the removing party does not prevail, the court shall award the opposing party an additional ~~\$200~~ amount

as costs equal to five percent of the conciliation court jurisdictional limit applicable to the original claim, together with disbursements.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least \$500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less.

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

Sec. 15. Minnesota Statutes 1990, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) ~~Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed \$2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.~~

(b) ~~Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.~~

(c) ~~Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Ramsey county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court~~

administrator shall attach a copy of the dishonored check to the summons before it is issued.

(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Ramsey county under the following conditions:

- (1) the student loan or loans were originally awarded in Ramsey county;
- (2) the loan or loans are overdue at the time the action is commenced;
- (3) the amount sought in any single action does not exceed \$4,000;
- (4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and
- (5) the notice states that the educational institution may commence a conciliation court action in Ramsey county to recover the amount of the loan.

Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued. The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Ramsey county.

Sec. 16. Minnesota Statutes 1990, section 488A.32, subdivision 2, is amended to read:

Subd. 2. [APPEARANCE OF PARTIES.] Any party may appear in 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 when the conciliation court, in its discretion, finds the interests of justice would best be served by that representation, and it is limited to the extent and in the manner that the judge deems helpful. The court shall adopt simplified procedures to allow parties to represent themselves.~~

Sec. 17. Minnesota Statutes 1990, section 488A.33, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] The administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to ~~municipal~~ district court. The notice shall also contain a statement that if the cause is removed to ~~municipal~~ district court, the court may, ~~in its discretion,~~ allow the prevailing party to recover from the aggrieved party an amount not to exceed \$50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. *The notice must also contain a statement that if the removing party does not prevail, the opposing party will be awarded costs as provided under section 488A.34, subdivision 9, and must include the actual dollar amount of costs applicable to the case.*

Sec. 18. Minnesota Statutes 1990, section 488A.34, subdivision 9, is amended to read:

Subd. 9. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover costs and disbursements from the opposing party as though the action were commenced in district court. If the removing party does not prevail, the court shall award the opposing party an additional ~~\$200~~ amount as costs equal to five percent of the conciliation court jurisdictional limit applicable to the original claim, together with disbursements.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least \$500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less.

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

Sec. 19. [CONFLICT OF INTEREST RULES.]

The supreme court is requested to adopt rules governing conflict of interest procedures and policies for conciliation court referees and judges. The rules should address direct conflicts of interest as well as conflicts of interest arising from an area of private practice in which a referee is significantly involved.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6, are repealed."

Delete the title and insert:

"A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32,

subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, subdivision 6.”

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. 2185: A bill for an act relating to game and fish; limiting the prohibition on the use of radio equipment to take protected wild animals to big game and small game; amending Minnesota Statutes 1990, section 97B.085, subdivision 1.

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

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

S.F. No. 2319: A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242, subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Agriculture and Rural Development. Report adopted.

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

S.F. No. 2238: A bill for an act relating to appropriations; appropriating money for control, research, and abatement of nuisance aquatic exotic species in public waters and wetlands.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2145: A bill for an act relating to metropolitan government; permitting the metropolitan council to issue bonds for development of light rail transit; amending Minnesota Statutes 1990, section 473.39.

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

Page 3, line 8, delete “\$320,000,000” and insert “\$92,000,000 to match federal money equal to 80 percent of the cost”

And when so amended the bill do pass and be re-referred to the Committee

on Metropolitan Affairs. Amendments adopted. Report adopted.

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

S.F. No. 1767: A bill for an act relating to highways; changing description of a route in the state highway system.

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

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

S.F. No. 2389: A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001, subdivisions 1 and 3; 97C.005; 97C.351; and 103G.615, subdivision 3; Minnesota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Page 2, line 2, delete "*gingseng*" and insert "*ginseng*"

Page 7, line 9, after "HUNTING" insert ", *TRAPPING*,"

Page 9, line 28, after the first "*Sections*" insert "2," and after "1" insert ", 3"

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

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

S.F. No. 1288: A bill for an act relating to traffic regulations; allowing use of studded tires on emergency vehicles; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

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

Page 1, delete lines 22 to 25

Page 2, line 1, delete "(3)" and insert "(2)"

Page 2, line 3, delete "(4)" and insert "(3)"

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

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

S.F. No. 2103: A bill for an act relating to drivers' licenses; increasing fees; appropriating money; amending Minnesota Statutes 1990, section 171.06, subdivision 2.

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

Page 1, line 22, before the period, insert "*that are more impervious to alteration*"

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

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

S.F. No. 1972: A bill for an act relating to highways; directing the commissioner of transportation to erect a directional sign on interstate highway No. 94 in St. Paul.

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

Page 1, line 11, before the period, insert "*if Metropolitan State University pays all costs of erecting the sign*"

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. 1841: A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by animal distributors; requiring the registration of distributors; prescribing penalties; providing remedies; creating a commission on commercial animal facilities and practices; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Delete everything after the enacting clause and insert:

"Section 1. [325F.79] [DEFINITIONS.]

For purposes of sections 1 to 3, the following definitions apply:

(a) "*Animal*" means a dog, wholly or in part of the species *Canis familiaris*, or a cat, wholly or in part of the species *Felis domesticus*.

(b) "*Pet dealer*" means a person, firm, partnership, corporation, or association, including breeders, that is required to collect sales tax for the sale of animals to the public. *Pet dealer* does not include humane societies, nonprofit organizations performing the functions of humane societies, or animal control agencies.

(c) "*Breeder*" means a person, firm, partnership, corporation, or association that breeds animals for direct or indirect sale to the public.

(d) "*Broker*" means a person, firm, partnership, corporation, or association that purchases animals for resale to other brokers or pet dealers.

(e) "Health problem" means a disease, illness, or congenital or hereditary condition that is apparent at the time of sale, or which should have been apparent to the seller from the veterinary history of the animal.

(f) "Veterinarian" means a licensed veterinarian in the state of Minnesota.

Sec. 2. [325F.791] [SALES OF DOGS AND CATS.]

Subdivision 1. [DISCLOSURE.] A pet dealer shall deliver to each retail purchaser of an animal written disclosure as follows:

(1) the name, address, and USDA license number of the breeder and any broker who has had possession of the animal; the date of the animal's birth; the date the pet dealer received the animal; the breed, sex, color, and identifying marks of the animal; the individual identifying tag, tattoo, or collar number; the name and registration number of the sire and dam and the litter number; and a record of inoculations, worming treatments, and medication received by the animal while in the possession of the pet dealer;

(2) a statement signed by the pet dealer that the animal has no known health problems, or a statement signed by the pet dealer disclosing any known health problem and a statement signed by a veterinarian that recommends necessary treatment.

The disclosure must be made part of the statement of consumer rights specified in subdivision 10.

Subd. 2. [RECORDS.] A pet dealer shall maintain a copy of the statement of consumer rights delivered to the purchaser for one year.

Subd. 3. [REGISTRATION.] A pet dealer who represents an animal as eligible for registration with an animal pedigree organization shall provide the retail purchaser with the documents necessary for registration within 90 days of sale or, if the animal is being purchased under an installment payment agreement, within 90 days after receipt of the final payment. If the documents are not received from the pet dealer, the purchaser may retain the animal and receive a refund of 50 percent of the purchase price, or return the animal, along with all documentation previously provided, and receive a full refund. The pet dealer is not responsible for delays in registration which are caused by persons other than the pet dealer.

Subd. 4. [HEALTH.] No animal may be offered for sale by a broker or pet dealer to a retail purchaser until the animal has been examined by a veterinarian. The veterinarian used by the broker must not be the same veterinarian used by the pet dealer. If the pet dealer is not the breeder of the animal, each animal must be examined within two days after receipt of the animal by a pet dealer and within four days of delivery of the animal to the purchaser by the pet dealer. The cost of the examination must be paid by the pet dealer.

Subd. 5. [RESPONSIBILITIES OF PURCHASER.] To obtain the remedies provided in subdivision 6, the purchaser shall with respect to an ill animal:

(1) notify the pet dealer, within two business days, of the diagnosis by a veterinarian of a health problem and provide the pet dealer with the name and telephone number of the veterinarian and a copy of the veterinarian's report on the animal; and

(2) if the purchaser wishes to receive a full refund for the animal, return the animal no later than two business days after receipt of a written statement

from a veterinarian indicating the animal is unfit due to a health problem.

With respect to a dead animal the purchaser shall provide the pet dealer with a written statement from a veterinarian, indicating that the animal died from a health problem which existed on or before the receipt of the animal by the purchaser.

Subd. 6. [RIGHTS OF THE PURCHASER.] If, within ten days after receipt of the animal by the purchaser, a veterinarian states in writing that the animal is ill due to a disease which existed in the animal at the time of delivery, or if, within one year after receipt of the animal by the purchaser, a veterinarian states in writing that the animal has died or is ill due to a hereditary or congenital defect, or is not of the breed type represented, the animal is considered to have been unfit for sale at the time of sale.

In the event an animal dies due to a disease which existed in the animal at the time of delivery to the purchaser, the pet dealer shall provide the purchaser with one of the following remedies selected by the purchaser: receive an animal of equal value, if available and reimbursement for reasonable veterinary fees that do not exceed the original purchase price of the animal; or receive a refund of the full purchase price.

In the event of illness, the pet dealer shall provide the purchaser with one of the following remedies selected by the purchaser: return the animal to the pet dealer for a refund of the full purchase price; exchange the animal for an animal of the purchaser's choice of equivalent value, providing a replacement is available; or retain the animal, and receive reimbursement for reasonable veterinary fees that do not exceed the original purchase price of the animal.

The price of veterinary service is considered reasonable if the service is appropriate for the diagnosis and treatment of the health problem and the price of the service is comparable to that of similar service provided by other veterinarians in proximity to the treating veterinarian.

Subd. 7. [RIGHTS OF PET DEALER.] No refund, replacement, or reimbursement of veterinary fees may be required if any one or more of the following conditions exist:

(1) the health problem or death resulted from maltreatment or neglect, or from an injury sustained subsequent to receipt of the animal by the purchaser;

(2) a veterinarian's statement was provided to the purchaser as specified under subdivision 1, clause (2), which disclosed the health problem for which the purchaser seeks to return the animal; or

(3) the purchaser fails to carry out recommended treatment prescribed by the examining veterinarian, as provided under subdivision 1, clause (2).

Subd. 8. [CONTEST.] (a) In the event that a pet dealer wishes to contest a demand for the relief specified in subdivision 3 or 6, the pet dealer may require the purchaser to produce the animal for examination or autopsy by a veterinarian designated by the pet dealer. The pet dealer shall pay the cost of this examination.

(b) If the pet dealer does not provide the relief selected by the purchaser as specified in subdivision 3 or 6, the purchaser may initiate a court action.

(c) The prevailing party in the court action shall have the right to recover costs and reasonable attorney fees not to exceed \$500.

Subd. 9. [POSTED NOTICE.] A pet dealer shall post in a prominent location of the facility, a notice, in 48-point bold face type, containing the following language:

"Information on all dogs and cats is available. You are entitled to a statement of consumer rights. Make sure you receive this statement at the time of purchase."

Subd. 10. [STATEMENT OF CONSUMER RIGHTS.] A pet dealer shall provide the retail purchaser with a written notice of rights, which must be signed by the purchaser, acknowledging that the purchaser has reviewed the notice, and signed by the pet dealer certifying the accuracy of the information contained in it. A signed copy must be retained by the pet dealer and one given to the purchaser. The notice must be in 16-point bold face type and must state as follows:

**"A STATEMENT OF MINNESOTA LAW GOVERNING
THE SALE OF DOGS AND CATS**

The sale of dogs and cats is subject to consumer protection regulations. Minnesota law also provides safeguards to protect pet dealers and animal purchasers. Attached is a copy of Minnesota Statutes, sections 325F.79, 325F.791, and 325F.792. Contained within this law is a statement of your consumer rights."

The statement of consumer rights must also contain or have attached the disclosures required under subdivision 1.

Subd. 11. [LIMITATION.] Nothing in this section or section 325F.792 limits the rights or remedies which are otherwise available to a purchaser under any other law. An agreement or contract to waive any rights under this section or section 325F.792 is null and void and unenforceable.

Sec. 3. [325F.792] [ADDITIONAL PENALTIES.]

Subdivision 1. [CRIMINAL PENALTY.] A violation of a United States Department of Agriculture statute or regulation covering animal breeders or groomers, pet dealers, or the transportation of dogs or cats is a misdemeanor.

Subd. 2. [CIVIL PENALTY.] (a) A pet dealer who: (1) sells an animal without delivery of the disclosure required in section 2, subdivision 1; (2) fails to maintain the records required by section 2, subdivision 2; (3) fails to provide registration papers as provided in section 2, subdivision 3; (4) fails to make or provide payment for the examinations required by section 2, subdivision 4; (5) fails to post the notice required by section 2, subdivision 9; or (6) fails to provide the statement of consumer rights required by section 2, subdivision 10, is subject to a civil fine of up to \$1,000 per violation.

(b) Civil fines collected under this subdivision must be collected by the court and turned over to the prosecuting attorney."

Amend the title as follows:

Page 1, line 5, delete "creating a"

Page 1, delete line 6

Page 1, line 7, delete "practices;"

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. 1911 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.
1911	1766				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1911 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1911 and insert the language after the enacting clause of S.F. No. 1766, the first engrossment; further, delete the title of H.F. No. 1911 and insert the title of S.F. No. 1766, the first engrossment.

And when so amended H.F. No. 1911 will be identical to S.F. No. 1766, and further recommends that H.F. No. 1911 be given its second reading and substituted for S.F. No. 1766, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2002 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.
				2002	1908

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2002 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2002 and insert the language after the enacting clause of S.F. No. 1908, the first engrossment; further, delete the title of H.F. No. 2002 and insert the title of S.F. No. 1908, the first engrossment.

And when so amended H.F. No. 2002 will be identical to S.F. No. 1908, and further recommends that H.F. No. 2002 be given its second reading and substituted for S.F. No. 1908, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2044 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.
2044	1830				

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. 1827 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.
				1827	1681

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1827 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1827 and insert the language after the enacting clause of S.F. No. 1681, the first engrossment; further, delete the title of H.F. No. 1827 and insert the title of S.F. No. 1681, the first engrossment.

And when so amended H.F. No. 1827 will be identical to S.F. No. 1681, and further recommends that H.F. No. 1827 be given its second reading and substituted for S.F. No. 1681, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 917 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.
917	1109				

and that the above Senate File be indefinitely postponed.

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

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

S.F. No. 2233: A bill for an act relating to outdoor recreation; granting counties an option to decline to participate in the distribution of snowmobile and all-terrain vehicle trail grant-in-aid funds; amending Minnesota Statutes 1990, sections 84.83, by adding a subdivision; and 85.018, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 84.83, is amended by adding a subdivision to read:

Subd. 4. [PROVISIONS APPLICABLE TO FUNDING RECIPIENTS.] Recipients of Minnesota trail assistance program funds from counties or municipalities must be afforded the same protection and be held to the same standard of liability as a landowner under chapter 87 for activities associated with the administration, design, construction, maintenance, and grooming of snowmobile trails.

Sec. 2. Minnesota Statutes 1990, section 84.87, is amended by adding a subdivision to read:

Subd. 2c. [APPLICATION OF SPEED LIMITS TO TESTING ACTIVITIES.] (a) A speed limit established by the commissioner in rules adopted under section 84.86 does not apply to a snowmobile that is being operated as part of a testing program established by a snowmobile manufacturer if:

(1) the snowmobile is operated for testing purposes by a driver employed by the snowmobile manufacturer;

(2) the snowmobile is clearly marked as a test machine; and

(3) the snowmobile is operated in compliance with all other applicable laws and rules.

(b) A card containing a photograph of the driver and identifying the driver as a test driver for the manufacturer must be in the driver's possession at all times when the snowmobile is being operated at a speed in excess of the limit established by the commissioner under section 84.86.

Sec. 3. Minnesota Statutes 1990, section 84A.55, is amended by adding a subdivision to read:

Subd. 7a. [SNOWMOBILES ON CERTAIN LANDS.] Unless specifically prohibited by a rule of the commissioner, snowmobiles may be operated on lands subject to this section that have been identified by the commissioner

as wildlife management areas.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; specifying certain provisions applicable to recipients of grant funds; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; amending Minnesota Statutes 1990, sections 84.83, by adding a subdivision; 84.87, by adding a subdivision; and 84A.55, by adding a subdivision."

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

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

S.F. No. 2603: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

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

Page 5, line 32, delete "*be a senior*" and insert "*represent persons over age 65*"

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

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

S.F. No. 738: A bill for an act relating to public safety; requiring a permit to transport hazardous materials and authorizing the commissioner of transportation to adopt rules and establish fees; requiring the commissioner of public safety to implement a state hazardous materials incident response plan; creating an advisory task force; creating the hazardous materials incident response account and distributing money to the account; proposing coding for new law in Minnesota Statutes, chapters 221; 299A; and 299K.

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

Delete everything after the enacting clause and insert:

“Section 1. [221.0335] [HAZARDOUS MATERIALS TRANSPORTATION REGISTRATION; FEES.]

A person required to file a registration statement under section 106(c) of the federal Hazardous Materials Transportation Safety Act of 1990 may not transport a hazardous material unless the person files an annual hazardous materials registration statement with the commissioner and pays a fee. The commissioner shall adopt rules to implement this section, including administration of the registration program and establishing registration fees. A fee may not exceed a person's annual registration fee under the federal act. Fees must be set in accordance with section 16A.128, subdivision 1a, to cover the costs of administering and enforcing this section and the costs of hazardous materials incident response capability under sections 2 to 8. All fees collected under this section must be deposited in the general fund and credited to the hazardous materials incident response account.

Sec. 2. [299A.47] [CITATION.]

Sections 2 to 8 may be cited as the “Minnesota hazardous materials incident response act.”

Sec. 3. [299A.48] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 2 to 8, the following terms have the meanings given them.

Subd. 2. [CHEMICAL ASSESSMENT TEAM.] “Chemical assessment team” means a team trained and equipped to evaluate a hazardous materials incident and recommend the best means of controlling the hazard after consideration of life safety concerns, environmental effects, exposure hazards, quantity and type of hazardous material, availability of local resources, or other relevant factors.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of public safety.

Subd. 4. [HAZARDOUS MATERIALS.] “Hazardous materials” means substances or materials that, because of their chemical, physical, or biological nature, pose a potential risk to life, health, or property if they are released. “Hazardous materials” includes any substance or material in a particular form or quantity that may pose an unreasonable risk to health, safety, and property, or any substance or material in a quantity or form that may be harmful to humans, animals, crops, water systems, or other elements of the environment if accidentally released. Hazardous substances so designated may include explosives, radioactive materials, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive materials, and flammable gases.

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] “Local unit of government” means a county, home rule charter or statutory city, or town.

Subd. 6. [PERSON.] “Person” means any individual, partnership, association, public or private corporation or other entity including the United States government, any interstate body, the state, and any agency, department, or political subdivision of the state.

Subd. 7. [REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM.] "Regional hazardous materials response team" means a team trained and equipped to respond to and mitigate a hazardous materials release. A regional hazardous materials response team may include strategically located chemical assessment teams.

Sec. 4. [299A.49] [RESPONSE PLAN.]

Subdivision 1. [ELEMENTS OF PLAN; RULES.] (a) After consultation with the commissioners of natural resources, agriculture, transportation, and the pollution control agency, the state fire marshal, the emergency response commission, and appropriate technical emergency response representatives, the commissioner shall adopt rules to implement a statewide hazardous materials incident response plan. The plan must include:

(1) the locations of up to five regional hazardous materials response teams, based on the location of hazardous materials, response time, and proximity to large population centers;

(2) the number and qualifications of members on each team;

(3) the responsibilities of regional hazardous materials response teams;

(4) equipment needed for regional hazardous materials response teams;

(5) procedures for selecting and contracting with local governments or nonpublic persons to establish regional hazardous materials response teams;

(6) procedures for dispatching teams at the request of local governments;

(7) a fee schedule for reimbursing local governments or nonpublic persons responding to an incident; and

(8) coordination with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, and other nonpublic persons.

Subd. 2. [CONTRACTS AND AGREEMENTS.] The commissioner may cooperate with and enter into contracts with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, or nonpublic persons to implement the response plan.

Sec. 5. [299A.50] [LIABILITY AND WORKERS' COMPENSATION.]

Subdivision 1. [LIABILITY.] During operations authorized under section 4, members of a regional hazardous materials response team operating outside their geographic jurisdiction are "employees of the state" as defined in section 3.736.

Subd. 2. [WORKERS' COMPENSATION.] During operations authorized under section 4, members of a regional hazardous materials response team operating outside their geographic jurisdiction are considered state employees for purposes of chapter 176.

Subd. 3. [GOOD SAMARITAN.] A person who provides personnel and equipment to assist at the scene of a hazardous materials response incident outside the person's geographic jurisdiction or property, at the request of the state or a local unit of government, is not liable for any civil damages resulting from acts or omissions in providing the assistance, unless the person acts in a willful and wanton or reckless manner in providing the assistance.

Sec. 6. [299A.51] [RESPONSIBLE PERSON.]

Subdivision 1. [RESPONSE LIABILITY.] A responsible person, as described in section 115B.03, is liable for the reasonable and necessary costs, including legal and administrative costs, of response to a hazardous materials incident incurred by a regional hazardous materials response team or local unit of government. For the purposes of this section, "hazardous substance" as used in section 115B.03 means "hazardous material" as defined in section 3.

Subd. 2. [EXPENSE RECOVERY.] The commissioner shall assess the responsible person for the regional hazardous materials response team costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs.

Subd. 3. [ATTEMPTED AVOIDANCE OF LIABILITY.] For purposes of sections 2 to 8, a responsible person may not avoid liability by conveying any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

Sec. 7. [299A.52] [HAZARDOUS MATERIALS INCIDENT RESPONSE ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] The hazardous materials response account is created in the general fund. The account consists of money from hazardous materials registration fees under section 1, fees collected from persons under section 8, and gifts.

Subd. 2. [GIFTS.] The commissioner may accept monetary gifts for deposit in the account and equipment for use by regional hazardous materials response teams.

Subd. 3. [EXPENDITURES.] Money in the account may be spent for:

(1) vehicles, equipment, training, and personnel costs for regional hazardous materials response teams;

(2) reimbursing response costs of regional hazardous materials response teams;

(3) maintaining a statewide 24-hour emergency response center;

(4) maintaining a hazardous materials incident follow-up reporting system; and

(5) administrative costs of the commissioner of transportation under section 1 and the commissioner of public safety under sections 2 to 8.

Sec. 8. [299K.095] [HAZARDOUS MATERIALS INCIDENT RESPONSE FEES.]

(a) Persons, except individuals engaged in a farming operation, required under section 11002 of the federal act to notify the commission of the storage of an extremely hazardous substance shall pay an annual fee of \$75 for each facility.

(b) Persons required under section 11023 of the federal act to submit a toxic chemical release form to the commission shall pay an annual fee of \$500 for each facility. This fee is in addition to fees collected under section 115D.12.

(c) All fees collected under this section must be deposited in the general fund and credited to the hazardous materials incident response account.

Sec. 9. [APPROPRIATION.]

§ is appropriated from the hazardous materials incident response account to the commissioner of transportation for the purposes of section 1.

§ is appropriated from the hazardous materials incident response account to the commissioner of public safety for the purposes of sections 2 to 8.”

Delete the title and insert:

“A bill for an act relating to public safety; requiring registration and payment of an annual fee to transport hazardous materials; authorizing the commissioner of transportation to adopt rules; requiring the commissioner of public safety to implement a state hazardous materials incident response plan; creating the hazardous materials incident response account and distributing money to the account; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 221; 299A; and 299K.”

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

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

S.F. No. 1846: A bill for an act relating to corrections; requiring community-based sex offender treatment programs to be certified; establishing a sex offender treatment fund; requiring the legislative auditor to prepare a plan to implement an outcome-based evaluation and quality management system for sex offender treatment programs; requiring a report; amending Minnesota Statutes 1990, section 241.67, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Delete everything after the enacting clause and insert:

“SEX OFFENDER TREATMENT

Section 1. Minnesota Statutes 1990, section 241.021, is amended by adding a subdivision to read:

Subd. 4a. [CHEMICAL DEPENDENCY TREATMENT PROGRAMS.] All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults and juveniles committed to the commissioner’s custody shall comply with the standards mandated in Minnesota Rules, parts 9530.4100 to 9530.4450, for treatment programs operated by community-based residential treatment facilities.

Sec. 2. Minnesota Statutes 1990, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. ~~Eligible~~ *Offenders who are eligible to receive treatment, within the limits of available funding, are:*

(1) adults and juveniles committed to the custody of the commissioner;

(2) adult offenders for whom treatment is required by the court as a condition of probation; ~~and~~

(3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; *and*

(4) *adults and juveniles who are eligible for community-based treatment under the sex offender treatment fund established in section 5.*

Sec. 3. Minnesota Statutes 1990, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] ~~By July 1, 1991,~~ (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities. The rules shall require that sex offender treatment programs be at least four months in duration. ~~After July 1, 1991,~~ A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

(b) *By July 1, 1993, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.*

(c) *In addition to other certification requirements established under paragraphs (a) and (b), rules adopted by the commissioner must require all certified programs to participate in an ongoing outcome-based evaluation and quality management system established by the commissioner.*

Sec. 4. Minnesota Statutes 1990, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender treatment programs, including intensive sex offender treatment, within the state adult correctional facility system. *The commissioner shall establish a certified sex offender program at the Minnesota correctional facility in St. Cloud. Except as provided in section 243.18 or 244.04,* participation in any treatment program is voluntary and is subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a treatment program. Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall provide for residential and outpatient sex offender treatment and aftercare when required for conditional release under section 609.1352 or as a condition of supervised release.

Sec. 5. [241.671] [SEX OFFENDER TREATMENT FUND.]

Subdivision 1. [TREATMENT FUND ADMINISTRATION.] A sex offender treatment fund is established to pay for community-based sex offender treatment for adults and juveniles. The commissioner of corrections and the commissioner of human services shall establish an interagency staff work group to coordinate agency activities relating to sex offender treatment. The commissioner of human services is responsible for administering the sex offender treatment fund, including establishing requirements for submitting claims for payment, paying vendors, and enforcing the county maintenance of effort requirement in subdivision 7. The commissioner of corrections is responsible for overseeing and coordinating a statewide sex offender treatment system under section 241.67, subdivision 1, certifying

sex offender treatment providers under section 241.67, subdivision 2, paragraph (b); establishing eligibility criteria and an assessment process under subdivision 3; determining county allocations of treatment fund money under subdivision 4; and approving special project grants under subdivision 5. The county is responsible for developing and coordinating sex offender treatment services within the county under the supervision of the commissioner of corrections, approving sex offender treatment vendors under subdivision 8, approving persons for treatment within the limits of the county's allocation of treatment fund money under subdivision 4, and selecting an eligible vendor to provide the appropriate level of treatment to each person who is eligible to receive treatment and for whom funding is available. The assessment of eligibility and treatment needs under subdivision 3, must be conducted by the agency responsible for probation services. If this agency is not a county agency, the county shall enter into an agreement with the agency that prescribes the process for county approval of treatment and treatment vendors within the limits of the county's allocation of treatment fund money. The commissioner of corrections shall adopt rules under chapter 14 governing the sex offender treatment fund. At the request of the commissioner of corrections, the commissioner of human services shall provide technical assistance relating to the duties required under this section.

Subd. 2. [PERSONS ELIGIBLE TO RECEIVE TREATMENT.] *Within the limits of available funding, the sex offender treatment fund pays for sex offender treatment for sex offenders who have been ordered by the court to receive treatment and high-risk persons who seek treatment voluntarily. For purposes of this section, a sex offender is an adult who has been convicted of, or a juvenile who has been adjudicated to be delinquent based on a violation of, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.746, 609.79, 617.23, 617.246, or 617.247, or another offense arising out of a charge based on one or more of these sections. The treatment fund pays for treatment only to the extent that the costs of treatment cannot be met by the person's income or assets, health coverage, or other resources. Payment may be made on behalf of eligible persons only if:*

(1) the person has been assessed and determined to be in need of community-based treatment under subdivision 3;

(2) the county has approved treatment and designated a treatment vendor within the limits of the county's allocation of money under subdivision 4;

(3) the person received the appropriate level of treatment as determined through the assessment process;

(4) the person received services from a vendor certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b); and

(5) the vendor submitted a claim for payment in accordance with requirements established by the commissioner of human services.

Subd. 3. [ASSESSMENT.] *The commissioner of corrections shall establish a process and criteria for assessing the eligibility and treatment needs of persons on whose behalf payment from the sex offender treatment fund is sought. The assessment determines: (1) whether the individual is eligible under subdivision 2; (2) the person's ability to contribute to the cost of treatment; (3) whether a need for treatment exists; (4) if treatment is needed, the appropriate level of treatment; and (5) if the person is seeking treatment voluntarily, whether the person represents a high risk of becoming a sex*

offender in the absence of intervention and treatment. The commissioner shall develop a sliding fee scale to determine the amount of the contribution required from persons who have income or other financial resources. The fee scale must require persons whose income and assets are above the limits for the medical assistance program to contribute to the cost of the assessment and treatment and require persons whose income is above the state median income to pay the entire cost of assessment and treatment.

Subd. 4. [COUNTY ALLOCATIONS.] (a) For the first year of the sex offender treatment fund, the money appropriated for the treatment fund must be allocated among the counties according to the following formula:

(1) two-thirds based on the number of sex offender convictions or adjudications in the county in the previous year; and

(2) one-third based on county population.

(b) Any balance remaining in the fund at the end of the first year of the fund does not cancel and is available for the next year. Any balance remaining in subsequent years does not carry forward unless specifically authorized by the legislature.

(c) For the second year of the fund, an amount equal to the balance carried forward from the first year, plus any legislative appropriation for special project grants, must be reserved for special projects under subdivision 5. This becomes the base funding level for special project grants. The appropriation for the treatment fund must be allocated to counties in proportion to the amount actually paid out of each county's treatment fund allocation in the previous year.

(d) For the third and subsequent years of the fund, the appropriation for the sex offender treatment fund must be allocated to counties in proportion to the previous year's allocations. Any increase or decrease in funding for the sex offender treatment fund must be allocated proportionately among counties.

(e) For the second and subsequent years of the treatment fund, a reduction in the special projects base funding and a corresponding increase in a county's sex offender treatment fund allocation may be made under subdivision 5.

Subd. 5. [SPECIAL PROJECT GRANTS.] The commissioner of corrections shall approve grants to counties for special projects using the money reserved for special projects under subdivision 4, paragraph (c), and any appropriations specifically designated for sex offender treatment special projects. Special project grants may be used to develop new sex offender treatment services or providers, develop or test new treatment methods, educate courts and corrections personnel on treatment programs and methods, address special treatment needs in a particular county, or provide additional funding to counties that demonstrate that their treatment needs cannot be met within their formula allocation under subdivision 4. For the first three years of the fund, highest priority for special project grants must be given to counties that spent less than their allocation under the formula in subdivision 4, paragraph (a), during the previous year; demonstrate a significant need to increase their spending for sex offender treatment; and submit a detailed plan for improving their sex offender treatment system. For these high priority counties, upon successful completion of a special project the commissioner shall increase that county's base allocation under subdivision 4 for subsequent years by the amount of the special project

grant or another amount determined by the commissioner and agreed to by the county as a condition of receiving a special project grant. The base funding level for special projects for the subsequent year must be reduced by the amount of the increase in the county's base allocation. After the third year of the treatment fund, the commissioner may allocate up to 40 percent of the special project grant money to increase the base allocation of treatment fund money for those counties that demonstrate the greatest need to increase funding for sex offender treatment. The base funding level for special projects must be reduced by the amount of the increase in counties' base allocations.

Subd. 6. [COUNTY ADMINISTRATION.] A county may use up to five percent of the money allocated to it under subdivision 4 for administrative costs associated with the sex offender treatment fund, including the costs of assessment and referral of persons for treatment, state administrative and reporting requirements, service development, and other activities directly related to sex offender treatment. Nothing in this section requires a county to spend local money or commit local resources in addition to state money provided under this section, except as provided in subdivision 7.

Subd. 7. [MAINTENANCE OF EFFORT.] As a condition of receiving an allocation of money from the sex offender treatment fund under this section, a county must agree not to reduce the level of funding provided for sex offender treatment below the average annual funding level for calendar years 1989, 1990, and 1991.

Subd. 8. [ELIGIBILITY OF VENDORS.] To be eligible to receive payment from the sex offender treatment fund, a vendor must be certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b), and must comply with billing and reporting requirements established by the commissioner of human services. A county may become certified and approved as a vendor by satisfying the same requirements that apply to other vendors.

Subd. 9. [START-UP GRANTS.] Within the limits of appropriations made specifically for this purpose, the commissioner of corrections shall award grants to counties or providers for the initial start-up costs of establishing new certified, community-based sex offender treatment programs eligible for reimbursement under the sex offender treatment fund. In awarding the grants, the commissioner shall promote a statewide system of sex offender treatment programs that will provide reasonable geographic access to treatment throughout the state.

Subd. 10. [COORDINATION OF FUNDING FOR SEX OFFENDER TREATMENT.] The commissioners of corrections and human services shall identify all sources of funding for sex offender treatment in the state and develop methods of coordinating funding sources.

Subd. 11. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a) Unless otherwise directed by the terms of a particular appropriations provision, the commissioner shall give priority to the funding of juvenile sex offender programs over the funding of adult sex offender programs.

(b) Every county or private sex offender program that seeks new or continued state funding or reimbursement shall provide the commissioner with any information relating to the program's effectiveness that the commissioner considers necessary. The commissioner shall deny state funding or reimbursement to any county or private program that fails to provide

this information or that appears to be an ineffective program.

Sec. 6. [241.675] [CHEMICAL DEPENDENCY PROGRAM.]

A chemical dependency treatment program is established under the administration of the commissioner of corrections to provide a range of culturally appropriate chemical dependency treatment programs for adults and juveniles committed to the custody of the commissioner. On and after July 1, 1994, every adult and juvenile correctional facility must have a certified chemical dependency treatment program.

Sec. 7. Minnesota Statutes 1990, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [~~TREATMENT SEX OFFENDER PROGRAMS.~~] The commissioner of corrections shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender ~~treatment~~ programs. *The commissioner shall establish and operate a juvenile sex offender program at one of the state juvenile correctional facilities.*

Sec. 8. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS.]

When there are cells sufficient, each convict shall be confined in a separate cell. On and after July 1, 1992, every new and existing medium security correctional facility that is built or remodeled for the purpose of increasing inmate capacity must be designed and built to comply with multiple-occupancy standards for not more than one-half of the facility's capacity and must include a maximum capacity figure. Every new and existing minimum security facility must be designed and built to comply with minimum security multiple-occupancy standards. All inmates in future and current close, maximum, and high security facilities including St. Cloud, Stillwater, and Oak Park Heights shall be confined in a separate cell with the exception of geriatric/honor dormitory-type facilities.

Sec. 9. [244.051] [EARLY REPORTS OF MISSING OFFENDERS.]

All programs serving inmates on supervised release following a prison sentence shall notify the appropriate probation officer, appropriate law enforcement agency, and the department of corrections within two hours after an inmate in the program fails to make a required report or after program officials receive information indicating that an inmate may have left the area in which the inmate is required to remain or may have otherwise violated conditions of the inmate's supervised release. The department of corrections and county corrections agencies shall ensure that probation offices are staffed on a 24-hour basis or make available a 24-hour telephone number to receive the reports.

Sec. 10. [SEX OFFENDER TREATMENT; PILOT PROGRAM.]

The commissioners of corrections and human services shall administer a grant to create a pilot program to test the effectiveness of pharmacological agents, such as antiandrogens, in the treatment of sex offenders including psychopathic personalities.

Participation in the study must be by volunteers who meet defined criteria. The commissioner of corrections shall report to the legislature by February

1, 1993, regarding the preliminary results of the study.

Sec. 11. [REPORT ON SEX OFFENDER TREATMENT FUNDING.]

By January 1, 1993, the commissioners of corrections and human services shall submit a report to the legislature on funding for sex offender treatment, including:

- (1) a summary of the sources and amounts of public and private funding for sex offender treatment;
- (2) a progress report on implementation of sections 2 to 5;
- (3) methods currently being used to coordinate funding;
- (4) recommendations on whether other sources of funding should be consolidated into the sex offender treatment fund;
- (5) recommendations regarding medical assistance program changes or waivers that will improve the cost-effective use of medical assistance funds for sex offender treatment;
- (6) recommendations on whether start-up grants are needed to promote the development of needed sex offender treatment vendors, and if so, the amount of money needed for various regions, types of vendor, and class of sex offender;
- (7) an estimate of the amount of money needed to fully fund the sex offender treatment fund and information regarding the cost of an array of possible options for partial funding, including funding options that prioritize treatment needs based on the age of the offender, the level of offense, or other factors identified by the commissioner; and
- (8) recommendations for other changes that will improve the effectiveness and efficiency of the sex offender treatment funding system.

Sec. 12. [EVALUATION OF SEX OFFENDER PROGRAMS.]

The legislative auditor shall prepare a design plan to implement a comprehensive, permanent system of ongoing, outcome-based evaluation and quality management for publicly funded adult and juvenile sex offender programs, operated both within and outside correctional facilities. The plan must provide for evaluation that is independent of the agency administering or operating the treatment program. The auditor shall present the design plan and make recommendations to the chairs of the judiciary committees in the senate and house of representatives by February 15, 1993. The plan must be designed to integrate an effective ongoing, outcome-based evaluation component into sex offender programs that will gather data and reach conclusions concerning:

- (1) the effectiveness of sex offender programs in reducing recidivism and protecting public safety;
- (2) the relative effectiveness of different treatment approaches;
- (3) a meaningful, statistically valid comparison of offenders who receive programming with those who do not;
- (4) the effectiveness of existing methods of selecting a program for a particular offender; and
- (5) any other issues the legislative auditor determines should be included in this type of a program evaluation.

Sec. 13. [COUNTY JUVENILE FACILITY NEEDS ASSESSMENT.]

The county correctional administrators of each judicial district shall evaluate and provide a combined report to the chairs of the judiciary committees in the senate and house of representatives by November 1, 1992, concerning the needs of the counties in the judicial district for secure juvenile detention facilities, including preadjudication and, in conjunction with the commissioner of corrections, post-adjudication facilities.

Sec. 14. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of corrections for intensive community supervision of adult and juvenile sex offenders who are sentenced to probation, for the purpose of decreasing case loads of probation officers supervising sex offenders; the funds must be allocated so that 65 percent of the money is granted directly to community corrections act counties and 35 percent for probation officers in other counties.

§ is appropriated from the general fund to the commissioner of corrections for the creation of an absconder's fund to reimburse local corrections officials for costs incurred to hire professional investigators to track down persons on supervised release who fail to report to their probation officers or otherwise abscond while on supervised release. To be eligible for the funds, local corrections officials must have complied with section 9.

§ is appropriated from the general fund to the commissioner of corrections to provide grants to counties on the basis of need for the purpose of providing or increasing juvenile sex offender treatment programs.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to corrections; requiring community-based sex offender treatment programs to be certified; establishing a sex offender treatment fund; requiring the legislative auditor to prepare a plan to implement an outcome-based evaluation and quality management system for sex offender treatment programs; requiring a report; requiring new and remodeled correctional facilities to comply with multiple occupancy standards; appropriating money; amending Minnesota Statutes 1990, sections 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, and 3; 242.195, subdivision 1; and 243.53; proposing coding for new law in Minnesota Statutes, chapters 241; and 244."

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

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

S.F. No. 2006: A bill for an act relating to criminal justice information; creating a commission on criminal and juvenile justice information; creating a partnership council on criminal and juvenile justice information to advise and assist the commission; prescribing duties; requiring the preparation of a supplementary sex offender information statement for persons sentenced as patterned sex offenders; appropriating money; amending Minnesota Statutes 1990, section 609.1352, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 13C.

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

Delete everything after the enacting clause and insert:

“Section 1. [13C.01] [COMMISSION ON CRIMINAL AND JUVENILE JUSTICE INFORMATION.]

Subdivision 1. [DEFINITIONS.] As used in this section and section 2:

(1) “criminal justice information” means data on defendants, offenders, and criminal incidents, and administrative data on the operation and management of criminal justice agencies; and

(2) “criminal justice agency” means courts and state or local agencies or agency units that perform criminal justice administration duties under law or executive order.

Subd. 2. [CREATION AND MEMBERSHIP.] A commission on criminal and juvenile justice information is created. The commission has the following members:

(1) two senators appointed under the rules of the senate and two members of the house of representatives appointed by the speaker; one senator and one house member must be appointed from each political party;

(2) the chair of the sentencing guidelines commission;

(3) the commissioner of corrections;

(4) the commissioner of public safety; and

(5) the state court administrator.

The commission shall select a chair from among its members. The chair shall serve for a two-year term.

The terms, compensation, and removal of commission members are governed by section 15.059.

Subd. 3. [DUTIES.] The commission has the following duties:

(1) make recommendations on a framework for integrated criminal justice information systems;

(2) make recommendations on the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) make recommendations to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) make recommendations on an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) make recommendations on an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) make recommendations on comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) *make recommendations on continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;*

(8) *make recommendations on a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems; and*

(9) *to review on a periodic basis the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems.*

Subd. 4. [REPORTS.] The commission shall file a report with the governor and the legislature by January 15 of each odd-numbered year, beginning in 1993. The report shall summarize the commission's activities and make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently.

Sec. 2. [13C.02] [CRIMINAL JUSTICE INFORMATION PARTNERSHIP COUNCIL.]

Subdivision 1. [CREATION AND MEMBERSHIP.] The criminal justice information partnership council is created. The council's membership includes the members of the commission on criminal and juvenile justice information or their designees and the following additional members:

- (1) the director of the office of strategic and long-range planning;*
- (2) two sheriffs recommended by the Minnesota sheriffs association and appointed by the governor;*
- (3) two police chiefs recommended by the Minnesota chiefs of police association and appointed by the governor;*
- (4) two county attorneys recommended by the Minnesota county attorneys association and appointed by the governor;*
- (5) two city attorneys recommended by the Minnesota league of cities and appointed by the governor;*
- (6) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;*
- (7) two community corrections administrators recommended by the Minnesota association of counties and appointed by the governor, one of whom represents a community corrections act county;*
- (8) two probation officers appointed by the governor; and*
- (9) two citizens appointed by the governor.*

The chair of the commission shall also serve as chair of the council. The vice-chair of the council shall be selected from among the council members who are not members of the commission. The terms, compensation, and removal of council members are governed by section 15.059.

Subd. 2. [DUTIES.] The council has the following duties:

(1) to advise the commission on the needs of the various state and local agencies that collect, maintain, disseminate, share, and use criminal justice information;

(2) to make recommendations to the commission regarding the development and implementation of the criminal justice information policies and programs described in section 1, subdivision 3;

(3) to communicate the commission's criminal justice information policies and programs to the state and local agencies that are represented on the council; and

(4) to promote the commission's policies and programs among the state and local agencies that are represented on the council.

Sec. 3. Minnesota Statutes 1990, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [FILING PHOTOGRAPHS OR IMAGES; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing driver licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

(1) to the issuance and control of driver licenses;

(2) for law enforcement purposes in the investigation and prosecution of felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); ~~or~~ 609.821, subdivision 3, clauses (1), item (iv), and (3); or 617.23; and

(3) for child support enforcement purposes under section 256.978.

Sec. 4. [241.301] [FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.]

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or 243.16, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

Sec. 5. Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court ~~unless the child is alleged to have violated section 169.121 or 169.129~~. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing

a criminal investigation.

(c) *A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years.* The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 6. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342~~;~~; 609.343~~;~~; 609.344~~;~~ ~~or~~ 609.345~~;~~; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or an act described in section 609.1352, subdivision 2, if the court finds that the act described in section 609.1352, subdivision 2, was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment. *Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:*

- (1) medical data under section 13.42;*
- (2) corrections and detention data under section 13.85;*
- (3) health records under section 144.335;*
- (4) juvenile court records under section 260.161; and*
- (5) local welfare agency records under section 626.556.*

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 7. [609.3452] [SEX OFFENDER ASSESSMENT.]

When a person is convicted of a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or an act described in section 609.1352, subdivision 2, if the court finds that the act described in section 609.1352, subdivision 2, was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal, the court shall order an independent professional assessment of the offender's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the offender is in need of and amenable to sex offender treatment, the court shall include in the sentence a requirement that the offender undergo treatment. Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:

- (1) medical data under section 13.42;*
- (2) corrections and detention data under section 13.85;*
- (3) health records under section 144.335;*
- (4) juvenile court records under section 260.161; and*
- (5) local welfare agency records under section 626.556.*

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Sec. 8. [DATA PRACTICES COMMISSION.]

The governor shall appoint a study commission to make recommendations regarding the exchange of data among law enforcement agencies, local social service agencies, schools, the courts, court services agencies, and correctional agencies. The commission shall review data practices laws and rules and shall determine whether there are changes in statute or rule required to enhance the functioning of the criminal justice system. The commission shall consider the impact of any proposed recommendations on individual privacy rights. The commission shall submit a written report to the governor and the legislature not later than February 1, 1993.

The commission shall consist of:

- (1) the commissioners of administration, public safety, human services, health, corrections, and education, or their designees;*
- (2) one representative each, to be appointed by the governor, from a local public social service agency, a police department, a sheriff's office, and a court services department;*
- (3) two senators appointed under the rules of the senate and two members of the house of representatives appointed by the speaker; one senator and one house member must be appointed from each political party;*
- (4) one public defender appointed by the board of public defense;*
- (5) two citizens appointed by the governor; and*
- (6) one member appointed by the chief justice of the supreme court.*

Sec. 9. [ADVISORY TASK FORCE ON THE JUVENILE JUSTICE SYSTEM.]

Subdivision 1. [CREATION; MEMBERSHIP.] The advisory task force on the juvenile justice system consists of the following 18 members:

- (1) four judges appointed by the chief justice of the supreme court;*
- (2) two members of the house of representatives appointed by the speaker and two members of the senate appointed by the subcommittee on committees of the senate committee on rules and administration. One house member and one senator must be from the minority party;*
- (3) two professors of law appointed by the chief justice of the supreme court;*
- (4) the state public defender;*
- (5) one county attorney who is responsible for juvenile court matters, appointed by the chief justice of the supreme court on recommendation of the Minnesota county attorneys association;*
- (6) two community corrections administrators appointed by the governor, one from a community corrections act county and one from a noncommunity corrections act county;*
- (7) one employee of the department of human services who is responsible for children's services, appointed by the commissioner of human services;*
- (8) one employee of the department of corrections appointed by the commissioner of corrections; and*
- (9) two law enforcement officers who are responsible for juvenile delinquency matters, appointed by the governor.*

Subd. 2. [SELECTION OF CHAIR.] The chief justice of the supreme court shall select a chair from among the task force members, after consultation with the governor, the speaker of the house of representatives, and the senate majority leader.

Subd. 3. [STAFF.] The task force may employ a research director and necessary staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.

Subd. 4. [EXPENSES.] Minnesota Statutes, section 15.059, subdivisions 3 and 6, apply to the task force.

Subd. 5. [DUTIES.] The task force shall conduct a study of the juvenile justice system and make recommendations concerning the following:

- (1) the juvenile certification process;*
- (2) the retention of juvenile delinquency adjudication records and their use in subsequent adult proceedings;*
- (3) the feasibility of a system of statewide juvenile guidelines;*
- (4) the effectiveness of various juvenile justice system approaches, including behavior modification and treatment; and*
- (5) the extension to juveniles of a nonwaivable right to counsel and a right to a jury trial.*

Subd. 6. [REPORT.] The task force shall submit a written report to the governor and the legislature by December 1, 1993, containing its findings

and recommendations.

Sec. 10. [PROBATION STANDARDS TASK FORCE.]

The commissioner of corrections shall establish a probation standards task force of up to 12 members. Members of the task force must represent the department of corrections, probation officers, law enforcement, public defenders, county attorneys, county officials from community corrections act counties and other counties, and the sentencing guidelines commission. The task force shall choose a chair from among the county officials sitting on the task force. The commissioner shall report to the legislature by January 15, 1993, concerning the following:

- (1) the number of offenders being supervised by individual probation officers across the state, including a statewide average, metropolitan and nonmetropolitan, a statewide metropolitan and nonmetropolitan range, and other relevant information about current caseloads;*
- (2) minimum caseload goals and an appropriate mix for types of offenders;*
- (3) the adequacy of current staffing levels to provide effective supervision of violent offenders on probation and supervised release;*
- (4) the need for increasing the number of probation officers and the cost of doing so; and*
- (5) any other relevant recommendations.*

Sec. 11. [APPROPRIATION.]

§ is appropriated from the general fund to the commission on criminal and juvenile justice information, for the fiscal year ending June 30, 1993, for the purposes set forth in sections 1 and 2.

§ is appropriated from the general fund to the commissioner of administration for the fiscal year ending June 30, 1993, for the data practices commission in section 8.

§ is appropriated from the general fund to the supreme court for the task force on the juvenile justice system, for the fiscal year ending June 30, 1993, for the purposes of section 9.”

Delete the title and insert:

“A bill for an act relating to criminal justice; creating a commission on criminal and juvenile justice information; creating a partnership council on criminal and juvenile justice information to advise and assist the commission; prescribing duties; requiring fingerprints and thumbprints of inmates, parolees, and probationers received from other states; allowing photographs to be taken of juveniles in custody; creating a criminal justice data practices study commission; creating an advisory task force on the juvenile justice system; establishing a probation standards task force; appropriating money; amending Minnesota Statutes 1990, sections 171.07, subdivision 1a; and 260.185, subdivision 1; Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 241; and 609; proposing coding for new law as Minnesota Statutes, chapter 13C.”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1898, 1813, 1252, 2029, 2013, 2210, 2208, 2170, 2009, 1671, 2177, 1644, 1985, 2239, 2486, 2293, 2171, 1691, 2185, 1767, 1288, 1972 and 1841 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1911, 2002, 2044, 1827 and 917 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram moved that the name of Mrs. Pariseau be added as a co-author to S.F. No. 2120. The motion prevailed.

Mr. Morse moved that the names of Ms. Johnson, J.B. and Mr. Novak be added as co-authors to S.F. No. 2238. The motion prevailed.

Mr. Renneke moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Sams be shown as chief author to S.F. No. 2257. The motion prevailed.

Mr. Bertram moved that his name be stricken as a co-author to S.F. No. 2300. The motion prevailed.

Mr. Sams moved that his name be stricken as a co-author to S.F. No. 2300. The motion prevailed.

Mr. Gustafson moved that the name of Mr. Johnson, D.J. be added as a co-author to S.F. No. 2378. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 2389. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Renneke be added as a co-author to S.F. No. 2485. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Morse be added as a co-author to S.F. No. 2519. The motion prevailed.

Mr. Spear moved that S.F. No. 2229 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Judiciary. The motion prevailed.

Ms. Johnston, Mr. Belanger, Mrs. Pariseau, Messrs. Halberg and Neuville introduced—

Senate Resolution No. 120: A Senate resolution commending members of the Airport Narcotics Detail for their outstanding performance.

Referred to the Committee on Rules and Administration.

Messrs. Kelly, Marty, Ms. Pappas, Messrs. Waldorf and Cohen introduced—

Senate Resolution No. 121: A Senate resolution commending Mary Therese Schertler for her commitment and outstanding service to higher education in the State of Minnesota.

Referred to the Committee on Rules and Administration.

Mr. Samuelson introduced—

Senate Resolution No. 122: A Senate resolution congratulating the Brainerd High School Kixters Dance Team on winning the 1992 State AAA Dance Line competition.

Referred to the Committee on Rules and Administration.

Mr. Metzen introduced—

Senate Resolution No. 123: A Senate resolution congratulating the Simley High School wrestling team on winning the 1992 State Class AA championship.

Referred to the Committee on Rules and Administration.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Pogemiller and Ms. Pappas introduced—

S.F. No. 2606: A bill for an act relating to libraries; changing the maintenance of local effort requirement for regional library basic system support grants; amending Minnesota Statutes 1990, section 134.34, subdivision 4.

Referred to the Committee on Education.

Mr. Larson, by request, introduced—

S.F. No. 2607: A bill for an act relating to the city of Roseau; authorizing the establishment of a detached banking facility under certain conditions.

Referred to the Committee on Commerce.

Mr. Knaak introduced—

S.F. No. 2608: A bill for an act relating to Ramsey county; providing for evening meetings of Ramsey county board; amending Minnesota Statutes 1990, section 383A.27, subdivision 1.

Referred to the Committee on Local Government.

Mr. Knaak introduced—

S.F. No. 2609: A bill for an act relating to Ramsey county; requiring commissioners to remit per diems to county's general fund; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Local Government.

Mr. Knaak introduced—

S.F. No. 2610: A bill for an act relating to Ramsey county; requiring Ramsey county board to solicit proposals for depositories of county funds; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Local Government.

Mr. Solon introduced—

S.F. No. 2611: A bill for an act relating to utilities; consumer protection; establishing the Minnesota utility consumers' nonprofit corporation; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 216E.

Referred to the Committee on Energy and Public Utilities.

Ms. Pappas introduced—

S.F. No. 2612: A bill for an act relating to economic development; providing a grant for small business assistance; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Chmielewski introduced—

S.F. No. 2613: A bill for an act relating to children; providing for appointment of guardians ad litem to represent certain children and unborn children; amending Minnesota Statutes 1990, sections 144.341; 145.415, subdivision 3; 145.423, subdivision 1; 257.60; and 524.2-108; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Messrs. Novak, Frank and Marty introduced—

S.F. No. 2614: A bill for an act relating to taxation; property; reducing the penalties for taxes paid within 15 days of the date due on nonhomestead property; amending Minnesota Statutes 1991 Supplement, section 279.01, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon and Ms. Ranum introduced—

S.F. No. 2615: A bill for an act relating to education; requesting the University of Minnesota to establish a policy center for American Indian law and social justice on its Duluth campus; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

Messrs. Neuville and Mehrkens introduced—

S.F. No. 2616: A bill for an act relating to children; authorizing grants for a demonstration project for community-based after school programs for post-secondary youth; appropriating money; amending Laws 1991, chapter 265, article 4, section 30, subdivision 4.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 2617: A bill for an act relating to the world trade center; authorizing and establishing procedures for the privatization of the world trade corporation; appropriating money; amending Minnesota Statutes 1990, section 44A.0311; proposing coding for new law in Minnesota Statutes, chapter 44A.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman introduced—

S.F. No. 2618: A bill for an act relating to state lands; authorizing the sale of surplus land bordering public waters for public use.

Referred to the Committee on Environment and Natural Resources.

Messrs. Larson and Berg introduced—

S.F. No. 2619: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for the Runestone telecommunications system; appropriating money.

Referred to the Committee on Education.

Messrs. Larson and Berg introduced—

S.F. No. 2620: A bill for an act relating to education; appropriating money for the Runestone telecommunications system.

Referred to the Committee on Education.

Ms. Traub, Mr. Hottinger, Mrs. Adkins and Ms. Pappas introduced—

S.F. No. 2621: A bill for an act relating to human services; mandating the design of a statewide program of school-linked services funded from federal sources; establishing two pilot projects; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Neuville introduced—

S.F. No. 2622: 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 11A.23, subdivision 2; 13.791; 82B.20, subdivision 2; 86B.115; 86B.601, subdivision 1; 88.45; 103I.112; 115A.63, subdivision 3; 115A.82; 116J.70, subdivision 2a; 176.1041, subdivision 1; 176.361, subdivision 2; 177.23, subdivision 7; 183.38, subdivision 1; 214.01, subdivision 2; 268A.09, subdivision 7; 290.10; 297A.15, subdivision 5; 298.402; 298.405, subdivision 1; 326.405; 326.43; 348.13; 352.116, subdivision 3b; 352B.10, subdivision 5; 352B.105; 356.24; 356.82; 466.131; 504.02; 514.53; 517.08, subdivision 1c; and 609.0331; Minnesota Statutes 1991 Supplement, sections 3.873, subdivision 6; 16B.122, subdivision 2; 60D.20, subdivision 1; 60G.01, subdivision 2; 116.072, subdivision 1; 116J.693, subdivision 2; 124.19, subdivision 1; 124.479; 169.983; 171.06, subdivision 3; 179A.10, subdivision 2; 256.969, subdivisions 2 and 3a; 256B.74, subdivision 2; 256H.03, subdivision 5; 272.01, subdivision 2; 272.02, subdivision 1; 275.50, subdivision 5; 340A.4055; 457A.01, subdivision 5; 473.845, subdivision 3; and 611A.02, subdivision 2; reenacting Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f; repealing Minnesota Statutes 1990, section 326.01, subdivision 20; Laws 1989, chapter 282, article 2, section 188; Laws 1991, chapters 182, section 1; and 305, section 10.

Referred to the Committee on Judiciary.

Ms. Ranum, Messrs. Marty, Knaak and Mrs. Brataas introduced—

S.F. No. 2623: A bill for an act relating to health; authorizing planning for an institute to promote the sexual health of youth and children; appropriating money.

Referred to the Committee on Health and Human Services.

Mr. Knaak introduced—

S.F. No. 2624: A bill for an act relating to motor vehicles; requiring the appointment of deputy registrars at the request of governing bodies of cities under certain conditions; amending Minnesota Statutes 1990, section 168.33, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Lessard introduced—

S.F. No. 2625: A bill for an act relating to taxation; providing that Itasca county may levy for economic development purposes outside of levy limits; amending Laws 1989, First Special Session chapter 1, article 5, section 50, as amended.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kelly introduced—

S.F. No. 2626: A bill for an act relating to housing and redevelopment authorities; permitting use of general obligation bonds for housing projects; amending Minnesota Statutes 1990, section 469.034.

Referred to the Committee on Economic Development and Housing.

Mr. Kelly introduced—

S.F. No. 2627: A bill for an act relating to the state fire marshal; providing for fire-safe cigarettes; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Veterans and General Legislation.

Mr. Kelly introduced—

S.F. No. 2628: A bill for an act relating to public safety officers; defining firefighters for purposes of the public safety officer's survivor benefits law; providing education benefits under the survivor law to eligible dependents attending technical colleges; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; Minnesota Statutes 1991 Supplement, section 299A.45, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. McGowan, Neuville, Mrs. Benson, J.E.; Ms. Johnston and Mrs. Pariseau introduced—

S.F. No. 2629: A bill for an act relating to civil actions; providing a performer with a cause of action for injury caused the performer in an

obscene performance; proposing coding for new law in Minnesota Statutes, chapter 617.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 2630: A bill for an act relating to counties; providing for financing of acquisition, construction, equipping, and improvement of correctional facilities; authorizing certain leasing agreements; authorizing the sale of bonds; providing for tax levies; establishing a correctional facilities fund; amending Minnesota Statutes 1990, sections 401.02, subdivision 3; 401.05; 469.153, subdivision 2; and 641.24.

Referred to the Committee on Local Government.

Mr. Solon introduced—

S.F. No. 2631: A bill for an act relating to counties; establishing procedures for filling certain vacancies on county boards by general election; amending Minnesota Statutes 1990, section 375.101, by adding a subdivision.

Referred to the Committee on Elections and Ethics.

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

S.F. No. 2632: A bill for an act relating to education; prohibiting new state mandates for schools without a funding source; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mrs. Benson, J.E.; Mr. Johnson, D.E. and Ms. Olson introduced—

S.F. No. 2633: A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

Referred to the Committee on Education.

Mrs. Pariseau, Messrs. Neuville, Halberg, Metzen and Ms. Johnston introduced—

S.F. No. 2634: A bill for an act relating to appropriations; allowing funds to be used for a biological survey of Dakota county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Gustafson, Neuville and Mrs. Pariseau introduced—

S.F. No. 2635: A bill for an act relating to the legislature; regulating its budgets and accounts; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Finance.

Messrs. McGowan; Johnson, D.E.; Benson, D.D. and Mrs. Pariseau introduced—

S.F. No. 2636: A bill for an act relating to elections; requiring identification of judicial offices by numbering; amending Minnesota Statutes 1990, sections 204B.06, subdivision 6; 204B.36, subdivision 4; 488A.021, subdivision 3; and 488A.19, subdivision 3; repealing Minnesota Statutes 1990, section 204B.36, subdivision 5.

Referred to the Committee on Elections and Ethics.

Ms. Pappas, Mrs. Benson, J.E.; Messrs. Mehrkens, Riveness and Vickerman introduced—

S.F. No. 2637: A bill for an act relating to motor carriers; regulating courier services carriers and local cartage carriers; amending Minnesota Statutes 1990, section 221.011, subdivisions 25, 28, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Morse and Merriam introduced—

S.F. No. 2638: A bill for an act relating to the environment; establishing an environmental cleanup program for landfills; authorizing the public facilities authority to make loans to counties for landfill closure; imposing an additional tax on certain insurance premiums; proposing coding for new law in Minnesota Statutes, chapters 60A; 115B; and 446A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Morse and Merriam introduced—

S.F. No. 2639: A bill for an act relating to the environment; establishing an environmental cleanup program for landfills; authorizing the public facilities authority to make loans to counties for landfill closure; establishing a registration and registration fee system for priority toxic materials in consumer products and packaging to fund the landfill cleanup program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 115A; 115B; and 446A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Sams, Davis, Bertram and Morse introduced—

S.F. No. 2640: A bill for an act relating to agriculture; providing assistance to legal challenges of certain aspects of the federal milk marketing order system; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Mr. Johnson, D.J. introduced—

S.F. No. 2641: A bill for an act relating to occupations and professions; establishing a board of plumbing; preempting certain local units of government from licensing plumbers; providing administrative remedies; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 214.01, subdivision 3; 326.01, subdivision 9; 326.37; 326.38; 326.39; 326.40; 326.401, subdivisions 2, 3, and by adding a subdivision;

326.405; 326.41; 326.42; and 326.44; Minnesota Statutes 1991 Supplement, section 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1990, sections 325F.75, subdivision 2; and 326.45.

Referred to the Committee on Employment.

Mr. Halberg and Ms. Johnston introduced—

S.F. No. 2642: A bill for an act relating to domestic abuse; increasing penalties for certain repeat offenders who have prior out-of-state convictions; amending Minnesota Statutes 1990, section 609.224, subdivision 2; and Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 14.

Referred to the Committee on Judiciary.

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

S.F. No. 2643: A bill for an act relating to the public defense system; providing that the public defense systems of Hennepin and Ramsey counties are independent from the state public defense system; providing for state aid payment of 50 percent of public defense services in Hennepin and Ramsey counties; amending Minnesota Statutes 1990, sections 475.53, by adding a subdivision; 477A.012, subdivisions 2 and 3; 611.26, by adding a subdivision; and 611.27, subdivision 2, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 477A.012, subdivision 6; 611.215, subdivision 2; 611.25; 611.26, subdivisions 2, 3, 4, 10, and by adding a subdivision; and 611.27, subdivisions 1, 4, 5, 6, and 7.

Referred to the Committee on Judiciary.

Mr. Moe, R.D. introduced—

S.F. No. 2644: A bill for an act relating to state government; requiring state agencies to act on permit and license applications within 60 days; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Davis, Lessard and Moe, R.D. introduced—

S.F. No. 2645: A bill for an act relating to agriculture; providing requirements for discharges from aquatic farms; requiring permits; requiring monitoring; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1991 Supplement, section 17.498.

Referred to the Committee on Agriculture and Rural Development.

Mr. Hottinger introduced—

S.F. No. 2646: A bill for an act relating to education; adding independent school district No. 2071, Lake Crystal-Wellcome Memorial, to those districts with certain additional capital bonding authority; amending Laws 1991, chapter 265, article 5, section 18.

Referred to the Committee on Education.

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

S.F. No. 2647: A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 23; amending provisions governing time deadlines for governors' vetoes.

Referred to the Committee on Rules and Administration.

Mr. Pogemiller introduced—

S.F. No. 2648: A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 4; 474A.061, subdivision 1; and 474A.091, subdivisions 2 and 3.

Referred to the Committee on Finance.

Mr. Dicklich introduced—

S.F. No. 2649: A bill for an act relating to the city of Hibbing; providing for membership terms for the Hibbing public safety commission; providing for the size of the public utilities commission; providing for its compensation; amending Laws 1949, chapter 422, section 2, as amended.

Referred to the Committee on Local Government.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Ms. Johnson, J.B. moved that S.F. No. 2497 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Commerce. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 12, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-SEVENTH DAY

St. Paul, Minnesota, Thursday, March 12, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Budd Friend-Jones.

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

Adkins	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.	Lessard	Pappas	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Beckman, Larson and Hughes were excused from the Session of today.

REPORTS OF COMMITTEES

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1879: A bill for an act relating to workers' compensation; regulating hearings; providing for appointments to the workers' compensation court of appeals; regulating attorney fees; providing penalties; amending Minnesota Statutes 1990, sections 176.081, subdivisions 1, 2, and 3;

176.105, subdivision 1; 176.421, subdivisions 1 and 6; 176.461; 480B.01, subdivisions 1 and 10; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 176.

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

Page 4, after line 21, insert:

“Sec. 5. [176.1311] [SECOND INJURY FUND DATA.]

No person shall, directly or indirectly, provide the names of persons who have registered a preexisting physical impairment under section 176.131 to an employer with the intent of assisting the employer to discriminate against those persons who have so registered with respect to hiring or other terms and conditions of employment.

A violation of this section is a gross misdemeanor.”

Pages 7 and 8, delete section 10

Page 14, delete lines 11 to 28 and insert:

“(a) As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by one percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, “insurer” includes the assigned risk plan, and “rates” include rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: “As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of one percent on your current policy premium.””

Page 14, line 30, delete “January” and insert “April”

Page 15, line 7, after the period, insert “Section 16 is effective the day following final enactment retroactive to April 1, 1992. The rest of the act is effective July 1, 1992.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete “subdivisions 1 and 6” and insert “subdivision 1”

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2336: A bill for an act relating to employment; providing that certain conduct by employers against employees for engaging in lawful activities during nonworking hours is an unfair labor practice; amending Minnesota Statutes 1991 Supplement, sections 179.12; and 179A.13, subdivision 2.

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

Page 2, line 30, after "hours" insert "*if the activities are unrelated to the employee's employment and do not affect the employer's legitimate business interests*"

Page 4, line 7, after "hours" insert "*if the activities are unrelated to the employee's employment and do not affect the employer's legitimate government interests*"

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. 1880: A bill for an act relating to workers' compensation; regulating benefits and coverage; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivision 11; 176.111, subdivision 18; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 176.

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

Page 9, delete lines 14 to 31 and insert:

"(a) As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by 7.4 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of 7.4 percent on your current policy premium.""

Page 9, line 33, delete "January" and insert "April"

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. 2385: A bill for an act relating to elections; special school district No. 1; allowing special school district No. 1 to change the years of its elections; amending Laws 1959, chapter 462, section 3, as amended.

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

Page 1, line 23, before the period, insert “, and election of three of its directors in 1996 and subsequent years for four-year terms”

Page 1, line 25, before the period, insert “, and that the terms of office for directors to be elected in 1993 will expire January 1, 1997”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 2307: A bill for an act relating to elections; changing deadlines for certain statutory cities to abolish the ward system; amending Minnesota Statutes 1990, section 412.023, subdivision 4.

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

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

S.F. No. 2094: A bill for an act relating to the one call excavation notice system; authorizing land surveyors to receive location information related to underground facilities; amending Minnesota Statutes 1990, section 216D.01, subdivision 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216D.

Reports the 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 216D.01, is amended by adding a subdivision to read:

Subd. 1b. [BOUNDARY SURVEY.] “Boundary survey” means a survey made to establish or to reestablish a boundary line on the ground or to obtain data for preparing a map or plat showing boundary lines.

Sec. 2. Minnesota Statutes 1990, section 216D.01, is amended by adding a subdivision to read:

Subd. 6a. [LAND SURVEYOR.] “Land surveyor” means a person licensed to practice land surveying under sections 326.02 to 326.15.

Sec. 3. Minnesota Statutes 1990, section 216D.01, subdivision 8, is amended to read:

Subd. 8. [NOTIFICATION CENTER.] “Notification center” means a center that receives notice from excavators of planned excavation or other requests for location and transmits this notice to participating operators.

Sec. 4. Minnesota Statutes 1990, section 216D.04, is amended to read:

216D.04 [EXCAVATION.]

Subdivision 1. [NOTICE OF EXCAVATION REQUIRED; CONTENTS.]
(a) Except in an emergency, an excavator or land surveyor shall contact the notification center and provide an excavation or location notice at least 48 hours before beginning any excavation or boundary survey, excluding Saturdays, Sundays, and holidays. An excavation or boundary survey begins,

for purposes of this requirement, the first time excavation *or a boundary survey* occurs in an area that was not previously identified by the excavator *or land surveyor* in an excavation *or boundary survey* notice.

(b) The excavation *or boundary survey* notice may be oral or written, and must contain the following information:

(1) the name of the individual providing the excavation *or boundary survey* notice;

(2) the precise location of the proposed area of excavation *or boundary survey*;

(3) the name, address, and telephone number of the excavator *or land surveyor* or excavator's *or land surveyor's* company;

(4) the excavator's *or land surveyor's* field telephone number, if one is available;

(5) the type and the extent of the proposed excavation *or boundary survey* work;

(6) whether or not the discharge of explosives is anticipated; and

(7) the date and time when excavation *or boundary survey* is to commence.

Subd. 2. [DUTIES OF NOTIFICATION CENTER.] The notification center shall assign an inquiry identification number to each excavation *or location* notice and retain a record of all excavation *or location* notices received for at least six years. The center shall immediately transmit the information contained in an excavation *or location* notice to every operator that has an underground facility in the area of the proposed excavation *or boundary survey*.

Subd. 3. [LOCATING UNDERGROUND FACILITIES.] (a) An operator shall, within 48 hours after receiving an excavation notice *or within 96 hours after receiving a location notice* from the center, excluding Saturdays, Sundays, and holidays, unless otherwise agreed to between the excavator *or land surveyor* and operator, locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator, without cost to the excavator *or land surveyor*. The excavator *or land surveyor* shall determine the precise location of the underground facility, without damage, before excavating within two feet of the marked location of the underground facility.

(b) For the purpose of this section, the approximate horizontal location of the underground facilities is a strip of land two feet on either side of the underground facilities.

(c) Markers used to designate the approximate location of underground facilities must follow the current color code standard used by the American Public Works Association.

(d) If the operator cannot complete marking of the excavation *or boundary survey* area before the excavation *or boundary survey* commencement time stated in the excavation *or location* notice, the operator shall promptly contact the excavator *or land surveyor*. If the excavator *or land surveyor* postpones the excavation *or boundary survey* commencement time stated in the excavation *or location* notice by more than 48 hours, or cancels the excavation *or boundary survey*, the excavator *or land surveyor* shall notify the notification center."

Delete the title and insert:

“A bill for an act relating to the one call excavation notice system; authorizing land surveyors to receive location information related to underground facilities; requiring notice of land surveys; amending Minnesota Statutes 1990, sections 216D.01, subdivision 8, and by adding subdivisions; and 216D.04.”

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. 2310: A bill for an act relating to waters; changing the composition of the board of water and soil resource's dispute resolution committee; amending Minnesota Statutes 1990, section 103B.101, subdivision 10.

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 1993: A bill for an act relating to transportation; providing tax incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; 216C.15, subdivision 1; and 290.01, subdivision 19b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 169; 290; and 473.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

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

S.F. No. 2645: A bill for an act relating to agriculture; providing requirements for discharges from aquatic farms; requiring permits requiring monitoring; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1991 Supplement, section 17.498.

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

Page 1, line 26, delete everything after “and”

Page 2, line 1, delete “7050.0440,”

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

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

S.F. No. 2028: A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

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

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

S.F. No. 2257: A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

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. 1982: A bill for an act relating to education; authorizing the board of teaching to implement restructured teacher preparation programs and requirements to become a licensed teacher; requiring certain examinations before admission to an internship program and becoming licensed; requiring a one-year internship in an approved professional development school before becoming licensed; recodifying and simplifying certain licensure provisions for clarification; amending Minnesota Statutes 1990, section 125.05, subdivisions 1, 7, and by adding subdivisions; Minnesota Statutes 1991 Supplement, section 125.185, subdivisions 4 and 4a; repealing Minnesota Statutes 1990, section 125.03, subdivision 5.

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

Page 4, line 21, after the period, insert "*The board shall provide the leadership to ensure that teacher preparation programs include cultural sensitivity, gender fairness, violence prevention skills, sexual harassment awareness and prevention, and recognition of the signs of child abuse and neglect.*"

Page 6, after line 28, insert:

"The board of teaching shall appoint an advisory task force to advise the board on implementation of the restructured teacher preparation and licensure system. The task force shall consist of 20 members. Each of the following organizations shall select a member to serve on the task force: inter-faculty organization, University of Minnesota, Minnesota private college council, Minnesota association of colleges for teacher education, Minnesota education association, Minnesota federation of teachers, Minnesota association of teacher educators, Minnesota association of school administrators, Minnesota association of secondary school principals, Minnesota association of elementary school principals, Minnesota congress of parents, teachers, and students, Minnesota school boards association, educational cooperative service units, and the Minnesota business partnership. In addition, the board shall appoint two former legislators and one member of the board of teaching to the task force. The task force shall include three ex

officio members representing the commissioner of education, the state board of education, and the higher education coordinating board. Expenses incurred by task force members shall be reimbursed by the organizations they represent.

During the pilot period of the plan, the advisory task force shall meet at least six times each year and advise the board on linking redesigned teacher preparation programs with the restructured system, strategies to promote ethnic and cultural diversity in the teaching profession, costs for implementing the restructured system, and development of rules for examinations, internships, and professional development schools.

The board of teaching shall submit a progress report on implementing the restructured teacher preparation and licensure system to the education committees of the legislature by January 1 of each year. Before full implementation of the restructured system, the board of teaching shall include a report on the pilot period. Advisory task force input and recommendations shall be included in the report."

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

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

S.F. No. 1991: A bill for an act relating to education; authorizing the state board of technical colleges to contract to provide services; proposing coding for new law in Minnesota Statutes, chapter 136C.

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

Page 1, line 8, delete "*The state board of technical colleges*" and insert "*A technical college*"

Amend the title as follows:

Page 1, lines 2 and 3, delete "*the state board of technical colleges*" and insert "*a technical college*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2505: A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; requiring a report to the legislature; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, sections 43A.08, subdivisions 1 and 1a; and 349A.02, subdivision 4.

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

Page 3, lines 3 and 4, delete "*higher education coordinating*" and insert "*technical college*"

Page 3, after line 29, insert:

"Subd. 19. [STATE UNIVERSITY FACULTY.] The labor agreement between the state of Minnesota and the inter-faculty organization, approved

by the legislative commission on employee relations on March 9, 1992, is ratified.

Subd. 20. [STATE UNIVERSITY ADMINISTRATIVE UNIT.] The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, approved by the legislative commission on employee relations on March 9, 1992, is ratified.

Subd. 21. [STATE UNIVERSITY UNREPRESENTED EMPLOYEES PLAN.] The plan for unrepresented employees of the state university system, as approved by the department of employee relations on March 9, 1992, and by the legislative commission on employee relations on March 9, 1992, is ratified."

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. 1710: A bill for an act relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants.

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

Page 2, after line 7, insert:

"Sec. 2. [STUDY OF COORDINATED MEMBER SURVIVOR COVERAGE GAPS.]

The legislative commission on pensions and retirement shall study the subject of gaps in survivor coverage that exist for members of public pension coordinated programs in Minnesota and shall report on the results of its study and any associated proposed legislation on or before January 4, 1993. The results of the study and any proposed legislation must be reported to the chairs of the governmental operations committee of the house of representatives, the governmental operations committee of the senate, the appropriations committee of the house of representatives, and the finance committee of the senate."

Page 2, line 9, 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 "disabilitants" insert "; mandating a study of coordinated program survivorship benefit gaps"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2354: A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, line 12, delete everything after "pay"

Page 1, line 13, delete "*completed fewer than five years of service and*"

Page 1, delete lines 19 to 25

Page 2, delete lines 1 to 6

Page 2, line 10, before the period, insert "*, and applies for the plan year in which the reduced vesting provision is approved and implemented*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1718: A bill for an act relating to retirement; establishing an ambulance service personnel longevity award and incentive program; redirecting proceeds of a driver's license surtax; amending Minnesota Statutes 1991 Supplement, sections 171.06, subdivision 2b; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.05, subdivisions 1 and 3; and 353D.06; proposing coding for new law as Minnesota Statutes, chapter 356B; repealing Minnesota Statutes 1991 Supplement, sections 353D.01, subdivisions 1a and 1b; 353D.021; 353D.031; 353D.051; and 353D.091; and Laws 1991, chapter 291, article 19, section 11.

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

Page 1, line 25, after the period, insert "*The purpose of the ambulance service personnel longevity award and incentive trust is to accumulate funds to allow for the payment of longevity awards to qualified ambulance service personnel upon the completion of a substantial ambulance service career.*"

Page 1, line 26, before "The" insert "(a)"

Page 1, line 27, delete "*the administrative*" and insert "*administered by*"

Page 1, line 28, delete "*responsibility of*" and delete "*finance*" and insert "*health*" and after the period, insert "*The administrative responsibilities of the commissioner of health for the program relate solely to the record keeping, award application, and award payment functions. The state board of investment is responsible for the investment of the ambulance service personnel longevity award and incentive trust. Each ambulance service is responsible for determining, consistent with this chapter, who is a qualified ambulance service person, what constitutes a year of credited ambulance service, what constitutes sufficient documentation of a year of prior service, and submission of all necessary data to the commissioner of health in a manner consistent with this chapter. Determinations of an ambulance service are final.*"

(b)"

Page 1, line 29, delete "*finance*" and insert "*health*"

Page 2, delete lines 5 to 16

Page 2, line 24, after "*directors*" insert "*or medical advisors*"

Page 2, line 30, after "performance" insert "during the 12 months ending as of the immediately previous June 30"

Page 2, line 32, after "verified" insert "by August 1" and delete "a statement certified by" and insert "an affidavit from"

Page 2, line 34, after "certification" insert "during the 12 months ending as of the immediately previous June 30"

Page 2, line 36, after "director" insert "or medical advisor under section 144.804 and supporting rules,"

Page 3, line 1, after "verified" insert "by August 1"

Page 3, line 2, delete "a certified statement by" and insert "an affidavit from"

Page 3, line 3, after the semicolon, insert "and"

Page 3, line 7, after "substituted" insert ", for purposes of this section only,"

Page 3, line 14, delete "; and" and insert a period

Page 3, delete lines 15 and 16 and insert:

"(c) The term "active ambulance service employment or service provision status" means being in good standing with and on the active roster of the ambulance service making the certification.

(d) The maximum period of ambulance service employment or service provision for which a person may receive credit towards an award under this chapter, including prior service credit under section 7, subdivision 2, paragraph (c), is 20 years."

Page 3, line 20, delete "The"

Page 3, delete lines 21 to 24

Page 3, delete line 32 and insert "and the state board of investment"

Page 4, lines 18 and 25, delete "finance" and insert "health"

Page 4, line 21, delete the comma and insert a period

Page 4, delete line 22

Page 5, line 1, delete "subject to the provisions of" and insert ", as provided in"

Page 5, lines 5, 10, and 29, delete "finance" and insert "health"

Page 5, lines 20 and 28, after "reported" insert "on or before August 15"

Page 5, line 34, after the second "person" insert "is certified by the chief administrative officer of the ambulance service as having"

Page 5, line 36, delete ", plus" and insert ". If the person has rendered prior active ambulance service, the person must be additionally credited with"

Page 6, line 2, after "exceed" insert "one additional year of service in any year or to exceed"

Page 6, line 3, after the period, insert "Prior active ambulance service means employment by or the provision of service to a licensed ambulance

service before June 30, 1992, as determined by the person's current ambulance service based on records that were contemporaneous to the service as provided by the person. The prior ambulance service must be reported to the commissioner of health in an affidavit from the chief administrative officer of the ambulance service."

Page 6, line 9, delete "250" and insert "400"

Page 6, after line 14, insert:

"(b) If a qualified ambulance service person who meets the age and service requirements specified in paragraph (a) dies before applying for a longevity award, the estate of the decedent is entitled, upon application, to the decedent's ambulance service personnel longevity award, without reference to the limit on the number of annual awards."

Page 6, line 15, delete "(b)" and insert "(c)"

Page 6, line 17, delete "preceding"

Page 6, delete line 18

Page 6, line 19, delete "between that September 1 and the preceding" and after "June 30" insert "preceding the application"

Page 6, line 20, after "payable" insert "only"

Page 6, line 21, delete "(c)" and insert "(d)"

Page 6, line 25, delete "September" and insert "October"

Page 7, line 11, delete "finance" and insert "health"

Page 7, line 16, after "personnel," insert "only"

Page 7, after line 19, insert:

"Sec. 10. [SCOPE OF ADMINISTRATIVE DUTIES.]

For purposes of administering the award and incentive program, the commissioner cannot hear appeals, direct ambulance services to take actions, investigate or take action on individual complaints, or otherwise act on information beyond that submitted by the licensed ambulance services.

Sec. 11. [APPROPRIATION; COMPLEMENT INCREASE.]

There is appropriated to the commissioner of health, for the purposes of administering the ambulance service personnel longevity award and incentive program, \$ for the fiscal year ending June 30, 1992, and \$ for the fiscal year ending June 30, 1993.

The complement of the department of health is increased by positions for the fiscal year ending June 30, 1992, and by positions for the fiscal year ending June 30, 1993."

Page 7, delete line 21 and insert "Section 11 is effective on the day following final enactment. Sections 1 to 7, 9, and 10 are effective on July 1, 1992. Section 8 is effective on July 1, 1993."

Page 8, lines 6 to 14, reinstate the stricken language

Page 8, lines 26 to 33, delete the new language

Page 12, line 12, delete "1992" and insert "1993"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "retirement" and insert "state government"

Page 1, line 5, after "surtax;" insert "appropriating money;"

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

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

H.F. No. 2259 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.
		2259	2239		

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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2432: A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; imposing civil penalties; amending Minnesota Statutes 1990, sections 97C.203; 97C.211, subdivision 1; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, section 97C.209.

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

Delete everything after the enacting clause and insert:

"Section 1. [17.4981] [GENERAL CONDITIONS FOR REGULATION OF AQUATIC FARMS.]

Aquatic farms are licensed to culture private aquatic life. Cultured aquatic life is not wildlife under state law. Aquatic farms are to be licensed and given protective classifications to prevent or minimize impacts on wildlife. Sections 1 to 14 must be implemented to:

- (1) prevent wild aquatic life from entering an aquatic farm;
- (2) prevent release of nonindigenous, nonnaturalized, or exotic species into public waters without approval of the commissioner; and
- (3) protect against release of disease pathogens to public waters.

Private aquatic life that is legally acquired and possessed is an article of interstate commerce and may be restricted only as necessary to protect state fish and water resources.

Sec. 2. [17.4982] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 14.

Subd. 2. [APPROVED LABORATORY METHODS.] "Approved laboratory methods" means methods described in the latest edition of the "Procedures for the Detection and Identification of Certain Fish Pathogens" published by the American Fisheries Society Fish Health Section.

Subd. 3. [AQUARIUM FACILITIES.] "Aquarium facilities" means facilities that rear or hold private aquatic life for sale for aquarium or display purposes.

Subd. 4. [AQUATIC FARM.] "Aquatic farm" means a licensed facility used for the purpose of hatching, raising, rearing, and culturing private aquatic life in waters and preparing aquatic life for sale, including but not limited to ponds, vats, tanks, raceways, and other indoor or outdoor facilities that an aquatic farmer owns or waters where an aquatic farmer has riparian use of the waters.

Subd. 5. [AQUATIC LIFE.] "Aquatic life" has the meaning given in section 17.47, subdivision 7.

Subd. 6. [CERTIFIABLE DISEASES.] "Certifiable diseases" include channel catfish virus, bacterial kidney disease, bacterial furunculosis, enteric redmouth disease, enteric septicemia of catfish, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, proliferative kidney disease, viral hemorrhagic septicemia virus, and epizootic epitheliotropic virus.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility that:

(1) disinfects its effluent to the standards in section 10 before the effluent is discharged to public waters; or

(2) does not discharge to public waters or to waters of the state directly connected to public waters.

Subd. 9. [EMERGENCY FISH DISEASE.] "Emergency fish disease" means designated fish diseases not already present in state fish that could impact fish populations if inadvertently released by infected fish imported into the state, including viral hemorrhagic septicemia virus, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, ceratomyxosis, proliferative kidney disease, and epizootic epitheliotropic virus disease or any other disease listed in a rule or published by the commissioner in the state register on an emergency basis to be effective for not more than 180 days without renewal.

Subd. 10. [ENZOOTIC.] "Enzootic" means a disease that is known to occur only within well-defined geographic boundaries.

Subd. 11. [FISH HEALTH BLUE BOOK.] "Fish health blue book" means the standardized set of procedures and guidelines established and published by the American Fisheries Society Fish Health Section for the detection and isolation of fish pathogens.

Subd. 12. [FISH HEALTH INSPECTION.] "Fish health inspection" means an on-site, statistically based sampling of all lots of fish on a facility,

performed or supervised by a certified fish pathologist or accredited fish health inspector with subsequent examination of the collected tissues and fluids for the detection of certifiable diseases.

Subd. 13. [FISH HEALTH INSPECTOR.] "Fish health inspector" means an individual certified as a fish health inspector by the American Fisheries Society or an appropriate governmental agency.

Subd. 14. [FLEXIBLE CLASS FACILITY.] "Flexible class facility" means a standard or isolation facility that is capable of operating on a seasonal or as-needed basis as a containment or quarantine facility with portions of the aquatic farm designated as a containment or quarantine facility while the required disinfection and verification occurs.

Subd. 15. [GAME FISH.] "Game fish" has the meaning given in section 97A.015, subdivision 25.

Subd. 16. [INDIGENOUS AQUATIC LIFE.] "Indigenous aquatic life" means native or naturalized aquatic life species found in the state.

Subd. 17. [INTENSIVE CULTURE.] "Intensive culture" means the rearing of fish at densities greater than can be supported in the natural environment and usually requiring high stocking rates with use of controlled feeding.

Subd. 18. [ISOLATION FACILITY.] "Isolation facility" means a licensed facility that:

(1) cultures only warm or cool water species of indigenous aquatic life and discharges an effluent to public waters designated as a cold water fishery; or

(2) cultures only cold water species of indigenous aquatic life and discharges effluent to public waters designated as a warm or cool water fishery.

Subd. 19. [LICENSED FACILITY.] "Licensed facility" means an aquatic farm including its waters with an aquatic farm license.

Subd. 20. [LOT.] "Lot" means a group of fish of the same species and age that originated from the same discrete spawning population and that always have shared a common water supply. Various age groups of adult brood stock may comprise the same lot if they meet the conditions in this subdivision and have shared the same containers for one brood cycle.

Subd. 21. [MINNOWS.] "Minnows" has the meaning given in section 97A.015, subdivision 29, except the 12-inch restriction on sucker minnows shall not apply.

Subd. 22. [MULTIPLE-CLASS FACILITY.] "Multiple-class facility" means a licensed facility with different portions of the facility or waters used by the facility classified as a standard facility, isolation facility, containment facility, quarantine facility, or flexible class facility.

Subd. 23. [NONINDIGENOUS AQUATIC LIFE.] "Nonindigenous aquatic life" means aquatic life species not native or naturalized and not found in the state.

Subd. 24. [PUBLIC WATERS.] "Public waters" has the meaning given in section 103G.005, subdivision 15.

Subd. 25. [QUARANTINE FACILITY.] "Quarantine facility" means a

containment facility that maintains independent verification of internal management practices at a level recognized in the aquaculture industry to provide quality assurances of certification of a designated portion of the aquatic life in the facility as free of certifiable diseases.

Subd. 26. [STANDARD FACILITY.] "Standard facility" means a licensed facility with a continual or intermittent discharge of effluent to public waters.

Subd. 27. [WATERS OF THE STATE.] "Waters of the state" has the meaning given in section 103G.005, subdivision 17.

Sec. 3. [17.4983] [AQUATIC FARM OPERATIONS.]

Subdivision 1. [ACQUISITION AND SALE OF PRIVATE AQUATIC LIFE.] Aquatic life legally possessed may be bought, acquired, and sold by licensed facilities as provided in sections 1 to 14, including aquatic life legally possessed for sale under tribal laws and regulations.

Subd. 2. [ACQUISITION FROM STATE.] (a) The commissioner may sell aquatic life to licensed facilities at fair market value. Fair market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill or summerkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available. The commissioner shall provide conditions for acquiring trophy game fish from the rescue operations. The price of the aquatic life must be the market price determined by a comparable available source and must be discounted based on the health of the aquatic life, the difficulty of its acquisition, and the trophy game fish or other aquatic life retained by the state.

(c) The commissioner shall attempt to provide opportunities to make state broodstock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

- (1) designate approved sources to obtain the desired aquatic life; or*
- (2) sell the aquatic life from state hatcheries at fair market value.*

Subd. 3. [METHODS TO HARVEST AQUATIC LIFE.] Licensed facilities may use all reasonable methods to operate and harvest aquatic life from licensed facilities, including available nets.

Subd. 4. [DISCHARGE MAY REQUIRE PERMIT.] The discharge from the aquatic farm must not be a significant contributor of pollution to public waters without required discharge permits.

Subd. 5. [OWNERSHIP OF AQUATIC LIFE.] (a) Notwithstanding other provisions of law, aquatic life lawfully acquired and possessed by a licensed facility is private aquatic life and property of the owner of the licensed facility.

(b) The state may not seize or otherwise confiscate private aquatic life without due process of law, except that private aquatic life in public waters

may become property of the state if the waters are not part of a licensed facility. The commissioner shall notify the licensee that the aquatic life in a licensed facility, that is no longer licensed, then will become property of the state if the aquatic life is not removed. If the licensee does not respond in writing within 30 days after receiving the notice and make alternative arrangements, or does not remove the aquatic life by 90 ice-free days after receiving the notice, the private aquatic life becomes property of the state.

(c) Private aquatic life that is transferred to the state or released into public waters that are not part of a licensed facility is owned by the state and may be considered wildlife.

Subd. 6. [ACCESS FROM ROADS TO LICENSED FACILITIES.] *A person may not access a licensed facility from a public road or its right-of-way unless the access is acquired and designated for the public use by the commissioner of natural resources.*

Subd. 7. [CONTROL OF LICENSED WATERS.] *(a) If the public cannot access waters of the state that are part of a licensed aquatic farm except by permission of the licensee, the use of the waters by the public is subject to regulation by the licensee.*

(b) Waters that are part of a licensed facility are not waters of the state and are under the exclusive regulatory control of the licensee.

(c) Waters of the state may not be licensed for aquaculture use to more than one licensee.

Subd. 8. [ANGLING IN LICENSED WATERS.] *A fishing license is not required of persons angling in the waters subject to regulation by the licensee under subdivision 7. The aquatic farm operator shall provide an invoice to the angler fishing in waters stating the name of the angler, the species, number and pounds of fish taken, the date of taking, and the aquatic farm license number, which must be issued before the fish are removed from the aquatic farm premises.*

Subd. 9. [AQUATIC LIFE CONTAINED IN PROTECTIVE FACILITIES.] *Private aquatic life must be contained in standard, isolation, containment, or quarantine facilities according to the protection required for the aquatic life. The protective requirements of the facility must be maintained. Private aquatic life may be contained in a more protective facility without approval of the commissioner.*

Sec. 4. [17.4984] [AQUATIC FARM LICENSE.]

Subdivision 1. [LICENSE REQUIRED.] *(a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.*

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses must be issued for a period of five years and are transferable.

Subd. 2. [LISTED WATERS.] *(a) The aquatic farm license must list:*

(1) all waters of the state that may be used in connection with the licensed aquatic farm and whether aeration is approved;

(2) the classification of the waters as standard, isolation, containment, quarantine, or flexible facility; and

(3) *whether piscicide use is approved.*

Additional waters may not be used until approved by the commissioner. Waters that allow passage of wild aquatic life to the proposed waters may not be approved for aquatic farm use unless appropriate barriers to prevent passage can be constructed. Waters that may become connected may be licensed on a conditional basis during low water times or with requirements that the waters are screened or otherwise enclosed to prevent passage of aquatic life from public waters.

(b) *The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying licensing of the waters.*

(c) *Waters containing game fish of significant public value may not be licensed unless the game fish of significant public value are sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the director of fish and wildlife.*

Subd. 3. [LISTED SPECIES.] (a) The license must list the species of aquatic life appropriate for the protective classification of the waters.

(b) *Nonindigenous species of aquatic life may only be contained in licensed waters without connections to public waters which would allow their passage.*

Subd. 4. [SINGLE LICENSE FOR AQUATIC FARMING OPERATION.] The commissioner shall issue a single license for aquatic farming, with the following information and endorsements:

- (1) *waters covered by the license;*
- (2) *protective classification of each of the licensed waters;*
- (3) *aeration endorsement for each of the licensed waters;*
- (4) *minnow dealer endorsement;*
- (5) *aquatic dealer vehicle endorsement; and*
- (6) *two minnow dealer helper endorsements.*

Subd. 5. [STATE LIST OF WATERS.] (a) If the state uses waters of the state for aquatic farming, the state shall acquire legal access to the waters.

(b) *The state shall prepare a list of all waters of the state to be used by the state in the following calendar year where access was obtained from private owners, with their names and location by county. The list must be completed and available by December 15 upon request.*

Subd. 6. [INSPECTIONS.] (a) The premises, property, vehicles, and equipment where private aquatic farm operations are being conducted are subject to an annual inspection at a reasonable time by employees of the department of natural resources division of enforcement. The owner or operator must be present when inspections are conducted.

Subd. 7. [NONPUBLIC RECORDS.] (a) Licensees must keep current records containing complete, up-to-date nonpublic records of the operation of the aquatic farm. The records must be kept for at least one year.

(b) *The records must be in English and include the following information:*

(1) *for each species acquired, the number and pounds of fish or eggs acquired, names and addresses of the sources from which acquired, and the dates of receipt;*

(2) for each species sold or disposed of, the number and pounds of fish sold or disposed of, the names and addresses of the purchasers or persons to whom the conveyances are made, and the dates of sale; and

(3) for fish sperm or viable eggs, the amount acquired or sold, the names and addresses of the sources from where acquired, the purchasers to whom conveyed, and the dates of purchase or sale;

(c) On or before March 1 of each year, the licensee shall submit a complete annual report on a form furnished by the commissioner, covering the quantity of all species sold in the preceding licensed year.

(d) An aquatic farmer shall maintain records for annual inspection by the commissioner. Information on aquatic life production, harvest, and sales is nonpublic information, but the documentation must be available upon written request from the commissioner for inspection if determined that the records are needed to protect the public resources.

Sec. 5. [17.4985] [TRANSPORTATION OF AQUATIC LIFE.]

Subdivision 1. [REQUIREMENT.] The driver of a vehicle transporting aquatic life to another licensed facility out of state, or to public waters for stocking, shall possess a completed transportation form showing the facility license number, the vehicle identification, the driver's name, the species and amount of aquatic life, and the locations between which the aquatic life will be transported.

Subd. 2. [RECORD KEEPING.] Aquatic life may be transported without permit if record keeping is maintained:

(1) from waters licensed by a facility to other waters under the same license with the same or more protective standard, isolation, or quarantine classification;

(2) in the case of processed aquatic life, from and to any location; and

(3) in the case of live aquatic life, from a licensed facility to a processing facility that is designated in the aquatic farm license.

Subd. 3. [NOTIFICATION REQUIRED.] (a) Except as provided in subdivision 2, a person must file a notification form within two business days of transporting aquatic life between locations as follows:

(1) from an isolation or quarantine class licensed facility to another licensed facility of the same or more protective standard, isolation, or quarantine class; and

(2) in transit through the state between isolation or quarantine class facilities.

(b) The notification form may be transmitted to the commissioner by telecopy transmission.

Subd. 4. [PERMIT REQUIRED.] A person must obtain a permit before transporting aquatic life between the following locations:

(1) from any location to a licensed facility or waters of the facility with a less protective standard, isolation, containment, or quarantine class or a location not covered in subdivision 2 or 3;

(2) from any location outside of the state to a location in this state;

(3) from any location to a location for release into Minnesota public

waters.

Subd. 5. [VEHICLE IDENTIFICATION.] (a) Vehicles used for transporting private aquatic fish or eggs must display on each door or each side of fish hauling tanks in characters at least two inches in height:

- (1) the aquatic farm name;*
- (2) residence of the licensee as it appears on the commercial license;*
- (3) license number; and*
- (4) minnow dealer's license number, if applicable.*

(b) Applications for vehicle registration received by the commissioner serve as temporary licenses until approved or denied.

(c) Magnetic placards are acceptable for displaying the required information.

Sec. 6. [17.4986] [IMPORTATION OF AQUATIC LIFE.]

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not import aquatic life into the state without an importation permit. Aquatic life legally obtained or possessed outside of this state are articles of commerce and may be imported with an importation permit to a licensed facility of the appropriate protective classification.

(b) A permit application on a form prescribed by the commissioner must be submitted to the commissioner. By 14 days after a completed application is received the commissioner must approve or deny the importation permit as provided in this section.

(c) An importation permit may cover multiple shipments from the same source and destination within specified time periods.

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue importation permits to import:

- (1) any species of aquatic life to a licensed containment or quarantine facility regardless of disease history;*
- (2) indigenous and naturalized species from any source to an isolation facility licensed for that species;*
- (3) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;*

(4) trout, salmon, and catfish from any source to a standard facility if the fish are certified within the previous year to be free of certifiable diseases; and

(5) trout, salmon, and catfish from a facility with a disease-free history of three years or more located in an enzootic area to a standard or isolation facility.

(b) The commissioner may deny an importation permit under this subdivision if importation of the aquatic life would cause a clear and present danger to wildlife. The specific reasons and the danger must accompany the permit denial.

Subd. 3. [AQUARIUM AND ORNAMENTAL FISH.] Aquarium and ornamental fish that cannot survive in public waters may be imported and sold without a permit to aquarium facilities.

Subd. 4. [ENZOOTIC DISEASE AREA.] A facility located in an emergency disease enzootic area must have a five-year disease-free history. Hatchery inspections must occur at least once a year and fish must be tested for all certifiable diseases. Facilities must have been inspected according to sampling and methods guidelines established in the Fish Health Blue Book. Eggs received from enzootic emergency disease areas or other areas with unknown disease histories may be imported only to an approved containment or quarantine facility. Source fish farms from enzootic nonemergency disease areas from which sperm, eggs, or fish are to be imported having less than a three-year disease-free history may only be imported to a containment or quarantine facility.

Sec. 7. [17.4987] [STOCKING PRIVATE AQUATIC LIFE.]

Subdivision 1. [PUBLIC WATERS WITH MANAGEMENT PLAN.] A person may not release private aquatic life into public waters with a management plan without first obtaining a stocking permit from the commissioner. The commissioner may deny issuance of a permit if releasing the private aquatic life is not consistent with the management plan for the public waters. The commissioner shall provide a copy of the management plan with the issuance or denial of a stocking permit.

Subd. 2. [WATERS WITHOUT MANAGEMENT PLAN.] (a) Except for waters covered under an aquatic farm license, a person may release indigenous species of private aquatic life into public waters that do not have a management plan by notifying the commissioner on a stocking notification form prescribed by the commissioner, at least seven days before the release. After review of the notification, the commissioner may require a stocking permit.

(b) The commissioner may deny the stocking permit if:

- (1) the request is to release an exotic species;*
- (2) the request is for the release of an indigenous or naturalized species that does not have the required disease-free certification; or*
- (3) the release could reasonably be expected to cause significant adverse effects on wildlife populations.*

(c) If a permit is denied, the commissioner must provide reasons for the denial in writing.

Sec. 8. [17.4988] [TRANSPORTATION, IMPORTATION, AND STOCKING PERMIT.]

Subdivision 1. [APPLICATION INFORMATION.] An application for a permit to import from other states or stock sperm, viable fish eggs, or live aquatic life in public waters must be made on forms provided by the commissioner and containing the following information:

- (1) species, strain if known, number, size, and quantity by weight of fish, if known, viable fish eggs, or sperm as applicable;*
- (2) name, address, telephone number, and fax number, if any, of aquatic farm or other sources where the fish eggs or sperm were acquired;*
- (3) name, address, and telephone number of the purchaser, if any;*
- (4) name, address, and telephone number of the broker, if any, through which shipment is being made;*

- (5) name, address, and telephone number of the shipper;
- (6) type of transportation and approximate date of transit;
- (7) name and address of any transfer stations that will be used prior to final delivery; and
- (8) destination.

Subd. 2. [PERMIT CONSOLIDATION.] The commissioner shall prescribe one form to be used for importation, transportation, and stocking in public waters of private aquatic life.

Sec. 9. [17.4989] [PERMIT, LICENSE, AND INSPECTION FEES.]

Subdivision 1. [REQUIREMENT FOR ISSUANCE.] A permit or license must be issued when the requirements of law are met and the license and permit fees specified in this section are paid.

Subd. 2. [AQUATIC FARMING LICENSE.] License fees shall be no more than the following:

- (1) aquatic farming license, \$350;
- (2) minnow dealer license, \$77;
- (3) minnow retailer license, \$11;
- (4) minnow exporting license, \$286;
- (5) minnow dealer helper license, \$5.50;
- (6) aquatic dealer vehicle license, \$11;
- (7) fish vendor vehicle license, \$27.50;
- (8) sucker egg taking license, \$165, plus \$3 per quart over 100 quarts;
- (9) game fish packers license, \$14.50; and
- (10) private fish hatchery license, \$55.

Subd. 3. [PERMIT FEES.] The fees for the following permits must be paid as prescribed by the commissioner:

- (1) stocking private aquatic life in public waters, up to \$10;
- (2) importation of aquatic life, up to \$10; and
- (3) combination importation and stocking public waters permit, up to \$15.

Subd. 4. [INSPECTION FEES.] The fees for the following inspections must be paid as prescribed by the commissioner:

- (1) inspection of waters to be licensed for initial inspection, \$50 per year;
- (2) fish health inspection and certification, \$80 per lot; and
- (3) protective classification initial inspection for isolation, containment, quarantine, and flexible facility inspections, \$50.

Sec. 10. [17.4991] [DISEASE TRANSMISSION.]

Subdivision 1. [FACILITY DESIGNATION.] (a) The licensee may apply to the commissioner for designation of all or a portion of a facility as a standard, containment, isolation, quarantine, multiple-class, or flexible class facility on forms prescribed by the commissioner as part of the license

application or separately.

(b) By 15 days after an application is submitted, the commissioner must notify the applicant if there are any deficiencies in the application. By 30 days after a complete application is submitted, the commissioner must approve or deny the designation requested. A denial must include an assessment of the actual risk to wildlife population at the particular site. A designation must be approved if the facility meets the disinfection requirements of subdivision 2.

Subd. 2. [DISINFECTION.] (a) Containment and quarantine facilities must disinfect effluent prior to discharge to public waters. The effluent required to be disinfected includes water used by a containment or quarantine facility in the production of the aquatic life of concern, waste or mortalities from the aquatic life of concern, and live forage or commercial feed discarded from the containment or quarantine facilities. Water or waste from a containment or quarantine facility that has not come in contact with the aquatic life of concern is not effluent to be disinfected. Runoff from precipitation and excess water from natural springs, wells, or other sources that is not used in the production of aquatic life is not effluent to be disinfected.

(b) The disinfection must minimize the potential release of disease pathogens to wildlife susceptible to the pathogens based on a reasonable risk assessment. Disinfection treatment processes may include chlorination, heat, or other processes. If chlorine disinfection is utilized, a measurable residual level of 0.5 parts per million of active chlorine in the effluent must be maintained for ten minutes of retention time. The effluent must be sufficiently dechlorinated to prevent toxic adverse impacts to wildlife after discharge to public waters.

(c) A disinfection treatment process must ensure uninterrupted effluent treatment of ten or more minutes prior to release in the event of electrical power failure, a primary system failure, or other similar events that would cause treatment interruptions.

(d) The effluent disinfection process must be sited, designated, and operated in a manner that allows inspection by the commissioner at all times to determine whether adequate effluent disinfection is maintained.

(e) The commissioner may prescribe reasonable documentation of daily monitoring of treatment system performance to be included in the licensee's annual report. The records must be available for daily inspection by the commissioner during normal business hours and maintained for three years.

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have an annual fish health inspection conducted by the commissioner. The commissioner shall inspect other facilities if disease occurs. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

Subd. 4. [EMERGENCY DISEASE DETERMINATION.] If emergency diseases exist, the commissioner may order the fish in the facility to be impounded, confiscated, sold, or destroyed. The commissioner shall make every effort to allow disposed fish to be sold for market if there is no imminent danger of a significant adverse impact on natural fish populations or human health or of escape of the pathogen to public waters.

Sec. 11. [17.4992] [GAME FISH.]

Subdivision 1. [ACQUISITION AND PURCHASE.] Game fish sperm, viable game fish eggs, or live game fish may not be taken from public waters, but may be purchased from the state, acquired by contract with the state, or acquired from private aquatic farms for aquaculture purposes.

Subd. 2. [SALE.] Game fish sperm, game fish eggs, or live game fish may be sold, but species of the family Salmonidae or Ictaluridae, except bullhead, must be free of certifiable or emergency diseases if sold for stocking in public waters.

Subd. 3. [SALE OF STATE EGGS, FRY, AND BROODSTOCK.] (a) Game fish eggs, game fish fry, and game fish broodstock may be sold to aquatic farms in the state at fair market value, as provided in section 3, subdivision 2.

(b) The commissioner must offer for sale to aquatic farms at least two percent of the state hatcheries' annual game fish fry. Additional game fish eggs or game fish sperm may be sold if surplus to state program needs or commitment.

(c) Licensees may purchase game fish eggs or fry from the state at a rate based on the capacity of their facility to hatch and rear fish. Licensees may purchase walleye eggs at a rate of no more than one-half quart for each acre of licensed surface waters or fraction of an acre or 5,000 fry for the same licensed water acreage. The limitation may be waived if an aquatic farm is an intensive culture facility. A request to exceed the acreage requirement must be included as part of the fry request. Trout or salmon egg purchases from the state must be based on capacity of rearing tanks and flow of water through the hatchery facilities.

(d) Game fish must be sold by the state to private aquatic farms if the commissioner denies acquisition of game fish from outside the state and other approved sources are not available.

Subd. 4. [STOCKING NORTH OF U.S. HIGHWAY NO. 2.] The proper strain of fish may be required for stocking of public waters north of United States highway No. 2 if the public waters have not been previously stocked with nonindigenous fish.

Sec. 12. [17.4993] [MINNOWS.]

Subdivision 1. [TAKING FROM PUBLIC WATERS.] Minnow sperm, minnow eggs, and live minnows may be taken from public waters for aquatic farm purposes with a minnow dealer's endorsement or permit issued by the commissioner.

Subd. 2. [SALE.] Minnow sperm, minnow eggs, and live minnows lawfully

taken from waters of the state may be sold for any purpose with an aquatic farm license.

Subd. 3. [IMPORTATION OF LIVE MINNOWS.] Nonindigenous minnows may not be imported live by a licensee for purposes other than processing or feeding aquatic farm fish.

Sec. 13. [17.4994] [SUCKER EGGS.]

Sucker eggs may be taken from public waters with a sucker egg license. The license authorizes sucker eggs to be taken at a rate of one quart of eggs for each 1-1/2 acres of licensed surface waters. This limitation may be waived. A request to exceed the pond acreage requirement must be included as part of the sucker egg endorsement application. The taking of sucker eggs from public waters is subject to chapter 97C.

Sec. 14. Minnesota Statutes 1990, section 97C.203, is amended to read:
97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

(a) The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;

(2) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing at a price not less than the fair market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; and

(3) sale at a ~~price not less than the~~ fair market value, established as the average price charged at the state's private hatcheries sources and contiguous states per volume rates of fish eggs and fry to private fish hatcheries and fish aquatic farms to hatch fry or raise fingerlings for sale.

(b) ~~Until July 1, 1990,~~ The commissioner must make at least two percent of the game fish eggs collected available to private hatcheries.

Sec. 15. Minnesota Statutes 1990, section 97C.211, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery, *which does not include an aquatic farm*, without a private fish hatchery license. A private fish hatchery is a facility for raising fish, including minnows, for sale, stocking waters, angling, or processing, or to grow out for human consumption.

Sec. 16. Minnesota Statutes 1990, section 97C.301, is amended by adding a subdivision to read:

Subd. 5. [AQUATIC FARMS.] A licensed aquatic farm may take fish authorized under the aquatic farm license without other licenses under the game and fish laws.

Sec. 17. Minnesota Statutes 1990, section 97C.345, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] This section does not apply to:

- (1) nets used to take rainbow smelt during the open season;
- (2) nets used to land game fish taken by angling;

- (3) seines or traps used for the taking of minnows for bait; ~~and~~
(4) *nets, seines, or traps possessed and used under an aquatic farm license; and*
(4) (5) angling equipment.

Sec. 18. Minnesota Statutes 1990, section 97C.391, is amended to read:
97C.391 [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;
- (2) rough fish excluding ciscoes;
- (3) fish taken under licensed commercial fishing operations;
- (4) fish ~~raised in a fish farm that are identified as prescribed by the commissioner that are private aquatic life; and~~
- (5) fish raised in a private hatchery ~~that are tagged or labeled or otherwise identified as prescribed by the commissioner; and~~
- (6) fish ~~lawfully taken and subject to sale from other states and countries.~~

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] Largemouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may not be bought or sold, unless bought or sold by a private hatchery or ~~fish aquatic farm~~ to stock waters for recreational fishing, or to grow out in human consumption as prescribed by the commissioner.

Sec. 19. Minnesota Statutes 1990, section 97C.505, subdivision 6, is amended to read:

Subd. 6. [APPROVED EQUIPMENT REQUIRED.] A person must use equipment approved by the commissioner to possess or transport minnows for sale. *This subdivision does not apply to licensed aquatic farms.*

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, section 97C.209, is repealed."

Amend the title as follows:

Page 1, lines 3 and 4, delete "imposing civil penalties;"

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

Mr. Berg from the Committee on Gaming Regulation, to which was re-referred

S.F. No. 1605: A bill for an act relating to gambling; prohibiting pari-mutuel licensees from accepting wagers made on credit; prohibiting lawful gambling organizations from accepting credit cards or other forms of credit for lawful gambling purchases; amending Minnesota Statutes 1990, section 349.2127, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 240.13, subdivision 8.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 299L.03, subdivision 1, is amended to read:

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under *this chapter or* chapter 240, 349, or 349A, the employees of the division of gambling enforcement have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt *or excluded* from licensing under section ~~349.214~~ 349.166;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under *this chapter or* chapter 240, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A; ~~or~~

(5) races are conducted by a person licensed under chapter 240; *or*

(6) *gambling devices are manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under this chapter.*

Sec. 2. Minnesota Statutes 1990, section 299L.03, subdivision 2, is amended to read:

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

Sec. 3. Minnesota Statutes 1991 Supplement, section 299L.07, is amended by adding a subdivision to read:

Subd. 9a. [INSPECTION.] Employees of the division may inspect the books, records, inventory, and business premises of a licensed manufacturer or distributor without notice and during normal business hours.

Sec. 4. Minnesota Statutes 1990, section 349.12, subdivision 1, is amended to read:

Subdivision 1. As used in sections 349.11 to ~~349.22~~ 349.23 the following terms have the meanings given them.

Sec. 5. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:

Subd. 6a. [BONANZA BINGO.] "Bonanza bingo" is a form of bingo which has the following features:

(a) The organization calls a predesignated quantity of bingo numbers before the actual playing of that bonanza bingo game.

(b) Bonanza bingo cards shall be sealed when they are sold to the players.

(c) Bonanza bingo cards can be sold throughout the bingo session. However, no bonanza bingo cards may be sold after the organization calls the

next continuous number during the actual bonanza bingo game.

(d) A player wins if all the numbers for the predetermined bingo pattern on the player's bonanza bingo card have been called.

(e) If a player bingos before the next continuous number is called, the player or players must be awarded the designated prize. During the actual bonanza bingo game, the organization shall call the next continuous number, if necessary, and so on until a player successfully bingos and is awarded the designated prize.

(f) A bonanza bingo may not extend beyond a bingo session.

Sec. 6. Minnesota Statutes 1990, section 349.12, subdivision 11, is amended to read:

Subd. 11. [DISTRIBUTOR.] "Distributor" is a person who sells gambling equipment *for use* within the state to licensed organizations, to organizations conducting *excluded or exempt* activities under section 349.214 349.166, or to ~~other distributors~~ *the governing bodies of Indian tribes.*

Sec. 7. Minnesota Statutes 1990, section 349.12, subdivision 18, is amended to read:

Subd. 18. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo cards or sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, ~~and paddletickets, paddleticket cards,~~ tipboards, *and tipboard tickets.*

Sec. 8. Minnesota Statutes 1990, section 349.12, subdivision 21, is amended to read:

Subd. 21. [GROSS RECEIPTS.] "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo cards and sheets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and ~~paddle tickets~~ *paddletickets* before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3, ~~for duly licensed bingo hall lessors.~~

Sec. 9. Minnesota Statutes 1990, section 349.12, subdivision 23, is amended to read:

Subd. 23. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision 49 22, less the total predetermined prize amounts available to be paid out. When the prize is not

entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 10. Minnesota Statutes 1991 Supplement, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, *or social, recreational, community, and athletic activities and facilities conducted by a nonprofit organization and intended for those age 55 or over, which is not being conducted primarily for members of the contributing organization*, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, ~~and the tax taxes~~ imposed by section 349.212, subdivisions 1 ~~and~~, 4, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on ~~licensed permitted~~ gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; ~~or~~

(ii) 50 percent of the real estate taxes and assessments or \$15,000 per

year, *whichever is more*, for premises used for other forms of lawful gambling; or

(iii) *100 percent of the real estate taxes and assessments for premises constructed, acquired, or expanded, if the construction, acquisition, or expansion was started before August 1, 1990;*

(10) *a contribution to or expenditure on behalf of the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency, provided that, before an expenditure on behalf of a unit of government may be made, the contributing organization must receive prior approval from the unit of government;*

(11) *a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; or*

(12) *payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9;*

(13) *noncash gifts awarded to recognize a member of an organization or other person who has made a blood donation, provided that the gifts are awarded at the time of the blood donation and the fair market value of the gifts awarded does not exceed \$60 per person per year; or*

(14) *a contribution to or expenditure on a wildlife management project that benefits the public at large, provided that the contribution or expenditure is approved by the area wildlife manager employed by the department of natural resources.*

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have

acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value; *or*

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); *or*

~~(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure.~~

Sec. 11. Minnesota Statutes 1990, section 349.12, subdivision 30, is amended to read:

Subd. 30. [PERSON.] "Person" is an individual, *organization*, firm, association, partnership, corporation, trustee, or legal representative.

Sec. 12. Minnesota Statutes 1991 Supplement, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers as provided in this chapter;

(13) to register employees of organizations licensed to conduct lawful gambling;

(14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; and

(15) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) Any organization, distributor, bingo hall operator, *gambling manager*, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 13. Minnesota Statutes 1990, section 349.153, is amended to read:
349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the ~~division~~ board who has an interest in any corporation, association, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the ~~division~~ board may not participate in the ~~conducting~~ conduct of lawful gambling and may not, while employed with or a member of the board or within one year after terminating employment with or leaving the board, accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, or a manufacturer.

Sec. 14. Minnesota Statutes 1991 Supplement, section 349.154, subdivision 2, is amended to read:

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25, ~~paragraph (a)~~.

(b) The board shall provide the commissioners of revenue and public

safety copies of each report received under this subdivision.

Sec. 15. Minnesota Statutes 1990, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations or bingo halls applying for or renewing a ~~license to conduct lawful gambling premises permit~~ or ~~operate~~ a bingo hall *license*. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250;
- (3) for all other cities, \$100; and
- (4) for counties, \$375.

Sec. 16. Minnesota Statutes 1990, section 349.161, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state ~~for gambling purposes~~, other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling *or to the governing body of an Indian tribe*;

(2) sell, offer for sale, or furnish gambling equipment for ~~lawful gambling use within the state, including to the governing body of an Indian tribe~~, without having obtained a distributor license under this section;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

Sec. 17. Minnesota Statutes 1990, section 349.161, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, ~~or~~ employee eligible to make sales on behalf of the distributor, *or holder of any direct or indirect financial interest in it*, a person, who:

- (1) has ever been convicted of a felony;
- (2) has ever been convicted of a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (4) is or has ever been engaged in an illegal business;
- (5) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; ~~or~~

(7) after demand, has not filed tax returns required by the commissioner of revenue; or

(8) *has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to it.*

Sec. 18. Minnesota Statutes 1990, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, or employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, or any representative, agent, affiliate, or employee of a distributor, may be: (1) *be* involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor or any representative, agent, affiliate, or employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor or any representative, agent, affiliate, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor or any representative, agent, affiliate, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

(f) No distributor or any representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment *for resale to any person for use within the state* from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person *for use in Minnesota other than* (i) a licensed organization or organization *excluded or exempt from licensing*, or (ii) the governing body of an Indian tribe.

Sec. 19. Minnesota Statutes 1990, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] ~~(a)~~ A distributor may not sell, transfer, furnish, or otherwise provide to a person, ~~organization, or distributor~~ *other than the governing body of an Indian tribe*, and no person, ~~organization, or distributor~~ *other than the governing body of an Indian tribe*, may purchase, borrow, accept, or acquire from a distributor gambling equipment *for use within the state* unless the equipment has been registered with the board and has a registration stamp affixed. The board shall charge a fee of five

cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor or manufacturer is entitled to a refund for unused registration stamps and replacement for registration stamps which are defective or canceled by the distributor or the manufacturer.

~~(b) From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."~~

~~(c) On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota For Sale in Minnesota Only."~~

~~(d) Paragraphs (b) and (c) do not apply to pull-tabs sold by a distributor to the governing body of an Indian tribe.~~

Sec. 20. Minnesota Statutes 1990, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

(1) the identity of the person or firm from whom the distributor purchased the equipment;

(2) the registration number of the equipment;

(3) the name, address, and license or exempt permit number of the organization to which the sale was made;

(4) the date of the sale;

(5) the name of the person who ordered the equipment;

(6) the name of the person who received the equipment;

(7) the type of equipment;

(8) the serial number of the equipment;

(9) the name, form number, or other identifying information for each game; and

(10) in the case of bingo cards sold on and after January 1, 1991, the individual number of each card.

The invoice for each sale must be retained for at least 3-1/2 years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the division and the division of gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Sec. 21. Minnesota Statutes 1990, section 349.162, subdivision 4, is

amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor or licensed manufacturer may possess unaffixed registration stamps.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been stamped and registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo card that does not bear an individual number; or

(2) sell a package of bingo cards that does not contain bingo cards in numerical order.

Sec. 22. Minnesota Statutes 1990, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) *Except for gambling equipment shipped directly to the governing body of an Indian tribe from either a licensed manufacturer or an out-of-state site of a licensed distributor, all gambling equipment purchased or possessed by a licensed distributor for resale to any person for use in Minnesota must, prior to the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the division of gambling enforcement as a sales or storage facility of the distributor's distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the division of gambling enforcement. Except for gambling equipment sold to the governing body of an Indian tribe, no gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board.*

(b) Notwithstanding section 349.163, subdivision 5, paragraphs (b) and (c), a licensed manufacturer may ship into Minnesota gambling equipment that does not have a Minnesota gambling stamp affixed if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the division of gambling enforcement as a manufacturer's storage facility. No unregistered gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the department of revenue in a manner prescribed by the department. No gambling equipment may be removed from the storage facility unless the gambling equipment is sold to a licensed distributor and otherwise in conformity with the provisions of this chapter or shipped to another state and the shipment is reported to the department of revenue in a manner prescribed by the department.

(c) All sales and storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the division of gambling enforcement or, the division of gambling enforcement director's authorized representatives, employees of the department of revenue, or authorized representatives of the director of the division of special taxes during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

(e) (d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than *the manufacturing plant of a licensed manufacturer or a registered sales or storage facility* are contraband under section 349.2125. This paragraph does not apply to *unregistered gambling equipment being transported directly to the governing body of an Indian tribe or to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document.*

(e) *Only gambling equipment that has been approved by the board pursuant to section 349.163, subdivision 6, may be kept at a registered storage facility.*

Sec. 23. Minnesota Statutes 1990, section 349.163, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person *for use or resale within the state, including the governing body of an Indian tribe*, unless the manufacturer has a current and valid license *issued* by the board under this section and other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 unless the manufacturer (1) does not manufacture any gambling equipment other than paddlewheels, and (2) was licensed as both a manufacturer and distributor on May 1, 1990.

Sec. 24. Minnesota Statutes 1990, section 349.163, subdivision 1a, is amended to read:

Subd. 1a. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership that has as an officer, director, other person in a supervisory or management position, ~~or~~ employee eligible to make sales on behalf of the ~~distributor~~ *manufacturer, or holder of any direct or indirect financial interest in it*, a person, who:

- (1) has ever been convicted of a felony;
- (2) has ever been convicted of a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;
- (4) is or has ever been engaged in an illegal business;
- (5) owes \$500 or more in delinquent taxes as defined in section 270.72;
- (6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; ~~or~~
- (7) after demand, has not filed tax returns required by the commissioner of revenue; *or*
- (8) *has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to it.*

Sec. 25. Minnesota Statutes 1990, section 349.163, subdivision 3, is

amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment *for use or resale within the state* to any person not licensed as a distributor, *other than the governing body of an Indian tribe*, unless the manufacturer is also a licensed distributor; or

(2) sell gambling equipment to *the governing body of an Indian tribe* or a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use *or resale* in this state;

~~(3) from January 1, 1991, to June 30, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only";~~

~~(4) on and after July 1, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "Manufactured in Minnesota For Sale in Minnesota Only"; or~~

~~(5) sell a pull-tab marked as required in clauses (3) and (4) to any person inside or outside the state, including the governing body of an Indian tribe, who is not a licensed distributor.~~

~~(b) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must be manufactured in Minnesota.~~

~~(c) (b) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.~~

Sec. 26. Minnesota Statutes 1990, section 349.163, subdivision 4, is amended to read:

Subd. 4. [INSPECTION OF MANUFACTURERS.] Employees of the ~~division and board~~, the division of gambling enforcement, *the division of gambling enforcement director's authorized representatives, employees of the department of revenue, and authorized representatives of the director of the division of special taxes of the department of revenue* may inspect the books, records, inventory, and business premises of a licensed manufacturer without notice during the normal business hours of the manufacturer.

Sec. 27. Minnesota Statutes 1990, section 349.163, subdivision 5, is amended to read:

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer *for use or resale* in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

“Pull-tab (or tipboard) purchasers — This pull-tab (or tipboard) game is not legal in Minnesota unless:

- a Minnesota gambling stamp is affixed to this sheet, and
- the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased.”

(d) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

(e) The flare of each pull-tab and tipboard game must be imprinted at the bottom with a bar code that provides:

- (1) the name of the game;
- (2) the serial number of the game;
- (3) the name of the manufacturer;
- (4) the number of tickets in the deal;
- (5) the odds of winning each prize in the deal; and
- (6) other information the board by rule requires.

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is imprinted at the bottom of a flare for that deal.

(f) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

Sec. 28. Minnesota Statutes 1990, section 349.163, subdivision 6, is amended to read:

Subd. 6. [SAMPLES OF GAMBLING EQUIPMENT.] The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment the manufacturer manufactures for ~~sale use or resale~~ in this state, *except gambling equipment shipped directly to the governing body of an Indian tribe from the manufacturer or an out-of-state site of a licensed distributor*. The board shall inspect and test all the equipment it deems necessary to determine the equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is *shipped into or sold for use or resale* in this state. The board may request the assistance of the commissioner of public safety and the director of the state lottery division in performing the tests.

Sec. 29. Minnesota Statutes 1990, section 349.164, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one ~~individual, corporation, partnership, or~~ organization to conduct bingo without a current and valid bingo hall license under this section.

Sec. 30. Minnesota Statutes 1990, section 349.164, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, ~~organization, corporation, firm, or partnership~~ that who is not the legal owner of the facility, or to a person, *or to an organization, corporation, firm, or partnership* which has as an officer, director, ~~or~~ other person in a supervisory or management position, *or holder of any direct or indirect financial interest in it*, a person, who:

(1) has ever been convicted of a felony;

(2) has ever been convicted of a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) *is or has ever been engaged in an illegal business;*

(5) owes delinquent taxes in excess of \$500 as defined in section 270.72;
of

~~(5)~~ (6) after demand, has not filed tax returns required by the commissioner of revenue; *or*

(7) has been determined to be a person whose prior activities, criminal record, if any, or reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gambling, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to it.

Sec. 31. Minnesota Statutes 1990, section 349.164, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED ACTS.] No bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or affiliate thereof may:

(1) be a licensed distributor or licensed manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 or a wholesale distributor of alcoholic beverages;

(2) provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling on the premises;

(3) acquire, provide storage or inventory control *for*, or report the use of, any gambling equipment used by an organization that conducts lawful gambling on the premises;

(4) provide accounting services to an organization conducting lawful gambling on the premises;

(5) solicit, suggest, encourage, or make any expenditures of gross receipts of an organization from lawful gambling;

(6) charge any fee to a person without which the person could not play a bingo game or participate in another form of lawful gambling on the premises;

(7) provide assistance or participate in the conduct of lawful gambling on the premises; *or*

(8) permit more than 21 bingo occasions to be conducted on the premises in any week.

Sec. 32. Minnesota Statutes 1990, section 349.1641, is amended to read:

349.1641 [LICENSES; SUMMARY SUSPENSION.]

The board may (1) summarily suspend the license of an organization that is more than three months late in filing a tax return required under this chapter and may keep the suspension in effect until all required returns are filed; and (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota. The board must notify the licensee at least 14 days before suspending the license under this ~~paragraph~~ *section*. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended or ~~revoked~~ under this ~~subdivision~~ *section*, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

Sec. 33. Minnesota Statutes 1990, section 349.166, is amended to read:

349.166 [EXCLUSIONS; EXEMPTIONS.]

Subdivision 1. [EXCLUSIONS.] (a) Bingo may be conducted without a license and without complying with sections 349.17, subdivision 1, and 349.18, if it is conducted:

(1) in connection with a county fair, the state fair, or a civic celebration if it is not conducted for more than 12 consecutive days in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without compliance with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without complying with sections ~~349.11 to 349.14 and~~ 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 28, without complying with sections 349.151 to 349.16; 349.167; 349.168; 349.18; 349.19; and 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of \$25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this ~~paragraph~~ *subdivision* if a report is later filed and the penalty paid.

(c) Merchandise prizes must be valued at their fair market value.

(d) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(e) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 349.212, subdivision 4, paragraph (c), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

Subd. 3. [RAFFLES; CERTAIN ORGANIZATIONS.] Sections 349.21 349.168, *subdivisions 3 and 4*, and 349.211, subdivision 3, and the membership requirements requirement of sections 349.14 and 349.20 section 349.16, *subdivision 2, paragraph (c)*, do not apply to raffles conducted by an organization that directly or under contract to the state or a political subdivision delivers health or social services and that is a 501(c)(3) organization if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Subd. 4. [TAXATION.] An organization's receipts from lawful gambling that is exempt from licensing under this section are not subject to the tax imposed by section 297A.02 or 349.212.

Sec. 34. Minnesota Statutes 1991 Supplement, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must receive training before being issued a new license, except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;

(2) each gambling manager applying for a renewal of a license must have received training within the three years prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person, ~~firm, association, or organization~~ authorized by the board to provide the training. Before authorizing a person, ~~firm, association, or organization~~ to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the ~~division~~ board.

Sec. 35. Minnesota Statutes 1990, section 349.168, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that the following persons may receive compensation without being active members: (1) sellers of pull-tabs, tip-boards, raffle tickets, ~~paddlewheel tickets~~ *paddletickets*, and bingo ~~paper cards or sheets~~; (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization. The board may by rule allow other persons not active members of the organization to receive compensation.

Sec. 36. Minnesota Statutes 1990, section 349.168, subdivision 6, is amended to read:

Subd. 6. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the ~~employee~~ *person being compensated*.

Sec. 37. Minnesota Statutes 1990, section 349.169, subdivision 2, is

amended to read:

Subd. 2. [COPIES.] The director shall provide copies of price filings to any person requesting them and may charge a reasonable fee for the copies. Any person may examine price filings in the ~~division~~ *board* office at no cost, and the director shall make the filings available for that purpose.

Sec. 38. Minnesota Statutes 1990, section 349.174, is amended to read:
349.174 [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs ~~and or~~ tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number that allows it to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs ~~and or~~ tipboards the organization received before September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 39. Minnesota Statutes 1991 Supplement, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be on a form prescribed by the board. Copies of all leases must be made available to employees of the ~~division~~ *board* and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling provided that no rule of the board may prescribe a limit of less than \$1,000 per month on rent paid for premises used for lawful gambling other than bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity on the leased premises during times when lawful gambling is being conducted on the premises.

Sec. 40. Minnesota Statutes 1991 Supplement, section 349.18, subdivision 1a, is amended to read:

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of an organization must be kept at a ~~licensed~~ *permitted* gambling premises owned or ~~operated~~ *leased* by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or ~~licensed~~ *permitted* premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. Gambling equipment owned by an organization may not be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers.

(c) Paddlewheels must be covered or disabled when not in use by the organization in the conduct of lawful gambling.

(d) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(e) An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.

Sec. 41. Minnesota Statutes 1990, section 349.18, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) An organization may conduct raffles on a premise it does not own or lease.

(b) An organization may, with the permission of the board, conduct bingo on premises it does not own or lease for up to 12 consecutive days in a calendar year, in connection with a county fair, the state fair, or a civic celebration.

(c) A licensed organization may, after compliance with section 349.213, conduct lawful gambling on premises other than the organization's ~~licensed premise~~ *permitted premises* for one day per year for not more than 12 hours that day. A lease for that time period for the exempted premises must accompany the request to the board.

Sec. 42. Minnesota Statutes 1990, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] Records required to be kept by this section must be preserved by a licensed organization for at least 3-1/2 years and may be inspected by the commissioner of revenue, the ~~commissioner of gaming board~~, or the commissioner of public safety at any reasonable time without notice or a search warrant.

Sec. 43. Minnesota Statutes 1991 Supplement, section 349.19, subdivision 9, is amended to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] (a) An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent accountant licensed by the state of Minnesota. The commissioner of revenue shall prescribe standards for the audit. A complete, true, and correct copy of the audit report must be filed as prescribed by the commissioner of revenue.

(b) *For organizations with gross receipts of \$50,000 or less, the commissioner of revenue may waive the financial audit requirement for the current fiscal year or grant an extension of time to file the financial audit, if the organization submits a written request and provides written documentation sufficient to satisfy the commissioner that the financial audit would create an undue hardship for the organization.*

Sec. 44. Minnesota Statutes 1990, section 349.191, subdivision 1, is amended to read:

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, and a distributor may not *offer or extend* to an organization, credit for a period of more than 30 days for the sale of any gambling equipment. No right of action exists for the collection of any claim

based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Sec. 45. Minnesota Statutes 1990, section 349.191, subdivision 4, is amended to read:

Subd. 4. [CREDIT; POSTDATED CHECKS.] For purposes of this ~~subdivision~~ ~~section~~, "credit" includes acceptance by a manufacturer or distributor of a postdated check in payment for gambling equipment.

Sec. 46. Minnesota Statutes 1990, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] Prizes for a single bingo game may not exceed \$100 except prizes for a cover-all game, which may exceed \$100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed ~~\$500~~ \$1,000. Total prizes awarded at a bingo occasion may not exceed \$2,500, unless a cover-all game is played in which case the limit is ~~\$3,000~~ \$3,500. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Sec. 47. Minnesota Statutes 1990, section 349.211, subdivision 2, is amended to read:

Subd. 2. [BINGO CUMULATIVE PRIZES.] A prize of up to \$1,000 may be awarded for a single bingo game if the prize is an accumulation of prizes not won in games in previous bingo occasions. The total amount awarded in cumulative prizes in any calendar year may not exceed ~~\$12,000~~ \$36,000. For bingo occasions in which a cumulative prize is awarded the aggregate value of prizes which may be awarded for the occasion is increased by the amount of the cumulative prize so awarded less \$100.

Sec. 48. Minnesota Statutes 1990, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. [PULL-TAB PRIZES.] The maximum prize which may be awarded for any single pull-tab is ~~\$250~~ \$500. An organization may not sell any pull-tab for more than \$2.

Sec. 49. Minnesota Statutes 1990, section 349.2124, is amended to read:

349.2124 [SALES TO INDIAN TRIBES.]

~~A distributor may set aside that part of the distributor's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. A distributor shall, when shipping or delivering any stock to an Indian tribal organization, make a true duplicate invoice showing the complete details of the sale or delivery and shall keep the duplicate. Subdivision 1. [DIRECT SHIPMENTS REQUIRED.] Gambling equipment sold by a manufacturer to the governing body of an Indian tribe in Minnesota must be shipped directly to the tribe from the manufacturer. Gambling equipment sold by a distributor to the governing body of an Indian tribe in Minnesota must be shipped either directly to the tribe from a registered storage facility of the distributor or directly to the tribe from a licensed manufacturer or an out-of-state site of the distributor.~~

Subd. 2. [RECORDS REQUIRED.] For each sale of gambling equipment to the governing body of an Indian tribe in Minnesota, the distributor or

manufacturer making the sale shall make a true duplicate invoice showing the complete details of the sale and shall keep the duplicate for at least 3-1/2 years after the sale. Distributors and manufacturers shall maintain additional records of these sales and file reports of these sales as prescribed by the department of revenue or by board rule.

Subd. 3. [PULL-TAB AND TIPBOARD FLARES.] Each pull-tab and tipboard deal sold to the governing body of an Indian tribe in Minnesota by a distributor or manufacturer must have its own individual flare and must conform to the requirements of section 349.163, subdivision 5, paragraphs (e) and (f). Pull-tab and tipboard deals sold to the governing body of an Indian tribe in Minnesota are not otherwise subject to the requirements of section 349.163, subdivision 5.

Sec. 50. Minnesota Statutes 1990, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in ~~section~~ sections 349.162 and 349.163;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, ~~or from one distributor to another between locations outside this state or directly to the governing body of an Indian tribe in this state~~, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18; ~~and~~

(11) any gambling equipment not in conformity with law or board rule-;

(12) *any pull-tab or tipboard deals or portions of deals on which the tax imposed under section 349.212 has not been paid;*

(13) *any gambling equipment that has not been approved by the board*

pursuant to section 349.163, subdivision 6:

(14) any gambling equipment in the possession of a person other than a licensed distributor, a licensed manufacturer, or an organization licensed or exempt or excluded from licensing under this chapter, except for devices for selecting bingo numbers kept by a bingo hall lessor pursuant to section 349.17, subdivision 2a;

(15) any gambling equipment in the possession of a licensed distributor that is not: (i) at or being transported to a registered storage facility of the distributor; (ii) being transported from a registered storage facility of the distributor to an out-of-state site, the governing body of an Indian tribe in this state, a licensed manufacturer, or an organization licensed or exempt or excluded from licensing under this chapter; (iii) being transported from a licensed manufacturer or an out-of-state site of the distributor to the governing body of an Indian tribe in this state; or (iv) being transported in interstate commerce between locations outside this state; and

(16) any gambling equipment in the possession of a licensed manufacturer that is not: (i) at a manufacturing plant of the manufacturer located in Minnesota or being transported from such a plant to an out-of-state site; (ii) at a registered storage facility of the manufacturer or being transported to or from a registered storage facility or to the governing body of an Indian tribe in this state; or (iii) being transported in interstate commerce between locations outside this state.

Sec. 51. Minnesota Statutes 1990, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ten days after the seizure of any alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the a tax imposed by section ~~349.2121, subdivision 4~~ 349.212, the seizing authority shall release

the property seized without further legal proceedings.

Sec. 52. Minnesota Statutes 1990, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) A person, ~~other than a licensed distributor,~~ is guilty of a crime who sells, offers for sale, or possesses a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(b) A person, other than *a licensed manufacturer*, a licensed distributor or an organization licensed or exempt or excluded from licensing under this chapter, is guilty of a crime who sells, offers to sell, or possesses gambling equipment. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(c) A person, ~~firm, or organization~~ is guilty of a crime who alters, modifies, or counterfeits pull-tabs, tipboards, or tipboard tickets, or possesses altered, modified, or counterfeit pull-tabs, tipboards, or tipboard tickets. A violation of this paragraph is a gross misdemeanor if the total face value for all such pull-tabs, tipboards, or tipboard tickets does not exceed \$200. A violation of this paragraph is a felony if the total face value exceeds \$200. For purposes of this paragraph, the face value of all pull-tabs, tipboards, and tipboard tickets altered, modified, or counterfeited within a six-month period may be aggregated and the defendant charged accordingly.

Sec. 53. Minnesota Statutes 1990, section 349.2127, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] A person is guilty of a gross misdemeanor who transports into, ~~or causes to be transported into,~~ receives, carries, ~~or moves from place to place, or causes to be moved from place to place~~ in this state, any deals of pull-tabs or tipboards not stamped in accordance with this chapter except in the course of interstate commerce *between locations outside this state*. A person is guilty of a felony who violates this subdivision with respect to more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

Sec. 54. Minnesota Statutes 1991 Supplement, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section ~~349.214~~ *349.166*. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended

for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4 8, or 349.212; provided, however, that an ordinance requirement that such organizations must contribute ten percent of their net profits derived from lawful gambling *conducted at premises within the city's or county's jurisdiction* to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance *must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction*, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels."

Delete the title and insert:

"A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling, licensed organizations, distributors, and manufacturers; authorizing certain expenditures for senior citizens, real estate taxes and assessments, noncash gifts for blood donors, wildlife management projects, and the combined receipts tax as lawful purposes; placing employment restrictions on members or employees of the board; changing requirements for the annual financial audit; increasing the aggregate value of cover-all prizes and total prizes for bingo; adding bonanza bingo as a form of bingo; increasing maximum prizes for pull-tabs; amending Minnesota Statutes 1990, sections 299L.03, subdivisions 1 and 2; 349.12, subdivisions 1, 11, 18, 21, 23, 30, and by adding a subdivision; 349.153; 349.16, subdivision 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 4, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166; 349.168, subdivisions 3 and 6; 349.169, subdivision 2; 349.174; 349.18, subdivision 2; 349.19, subdivision 6; 349.191, subdivisions 1 and 4; 349.211, subdivisions 1, 2, and 2a; 349.2124; 349.2125, subdivisions 1 and 3; and 349.2127, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 299L.07, by adding a subdivision; 349.12, subdivision 25; 349.151, subdivision 4; 349.154, subdivision 2; 349.167, subdivision 4; 349.18, subdivisions 1 and 1a; 349.19, subdivision 9; and 349.213, subdivision 1."

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. 1802: A bill for an act relating to telephones; allowing telephone companies to offer caller identification service to its subscribers; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Page 1, line 8, before "A" insert "*Notwithstanding section 626A.02, and subject to the approval of the commission,*"

Page 1, line 12, after the period, insert "*The terms and conditions of the service, including the reasonableness of the fee, must be approved by the commission.*"

Page 1, line 15, after the period, insert "*The commission may not approve a caller identification service that does not allow a subscriber, at no charge, to elect to block the display of the subscriber's number or name, or both, when calls are made from the subscriber's telephone.*"

Sec. 2. Minnesota Statutes 1990, section 626A.02, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.21 for an operator of a switchboard, or an officer, employee, or agent of a provider of wire or electronic communication service, whose facilities are used in the transmission of a wire communication, to intercept, disclose, or use that communication in the normal course of employment while engaged in any activity which is a necessary incident to the rendition of service or to the protection of the rights or property of the provider of that service, except that a provider of wire communication service to the public shall not utilize service observing or random monitoring except for mechanical or service quality control checks.

(b) It is not unlawful under sections 626A.01 to 626A.23 for an officer, employee, or agent of the Federal Communications Commission, in the normal course of employment and in discharge of the monitoring responsibilities exercised by the commission in the enforcement of chapter 5 of title 47 of the United States Code, to intercept a wire or electronic communication, or oral communication transmitted by radio, or to disclose or use the information thereby obtained.

(c) It is not unlawful under sections 626A.01 to 626A.23 for a person acting under color of law to intercept a wire, electronic, or oral communication, where such person is a party to the communication or one of the parties to the communication has given prior consent to such interception.

(d) It is not unlawful under sections 626A.01 to 626A.23 for a person not acting under color of law to intercept a wire, electronic, or oral communication where such person is a party to the communication or where one of the parties to the communication has given prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the constitution or laws of the United States or of any state.

(e) It is not a violation of sections 626A.01 to 626A.23 or sections 626A.26 to 626A.34 for a person:

(1) to intercept or access an electronic communication made through an

electronic communication system that is configured so that the electronic communication is readily accessible to the general public;

(2) to intercept any radio communication that is transmitted:

(i) by a station for the use of the general public, or that relates to ships, aircraft, vehicles, or persons in distress;

(ii) by a governmental, law enforcement, civil defense, private land mobile, or public safety communications system, including police and fire, readily accessible to the general public;

(iii) by a station operating on an authorized frequency within the bands allocated to the amateur, citizens band, or general mobile radio services; or

(iv) by a marine or aeronautical communications system;

(3) to engage in any conduct which:

(i) is prohibited by section 553 of title 47 of the United States Code; or

(ii) is excepted from the application of section 605(a) of title 47 of the United States Code by section 605(b) of that title;

(4) to intercept a wire or electronic communication the transmission of which is causing harmful interference to any lawfully operating station or consumer electronic equipment, to the extent necessary to identify the source of such interference; or

(5) for other users of the same frequency to intercept any radio communication made through a system that utilizes frequencies monitored by individuals engaged in the provision or the use of such system, if the communication is not scrambled or encrypted.

(f) It is not unlawful under sections 626A.01 to 626A.23:

(1) to use a pen register or a trap and trace device as those terms are defined by section 626A.39; or

(2) for a provider of electronic communication service to record the fact that a wire or electronic communication was initiated or completed in order to protect the provider, another provider furnishing service toward the completion of the wire or electronic communication, or a user of that service, from fraudulent, unlawful, or abusive use of the service.

(g) It is not unlawful under sections 626A.01 to 626A.23 for a person not acting under color of law to intercept the radio portion of a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit if the initial interception of the communication was obtained inadvertently.

(h) It is not unlawful under sections 626A.02 to 626A.21 for a person to use a caller identification service or device authorized by section 1."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1990, section 626A.02, subdivision 2;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2336, 1880, 2385, 2307, 2094, 2310, 2028, 2257, 1982, 1991, 1710, 2354 and 1605 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2259 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 1898. The motion prevailed.

Mr. Merriam moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 2103. The motion prevailed.

Mr. Morse moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 2142. The motion prevailed.

Mr. Morse moved that the name of Mr. Waldorf be added as a co-author to S.F. No. 2146. The motion prevailed.

Mr. Finn moved that the name of Mr. Bernhagen be added as a co-author to S.F. No. 2249. The motion prevailed.

Ms. Traub moved that the name of Ms. Ranum be added as a co-author to S.F. No. 2436. The motion prevailed.

Mr. Kelly moved that the name of Mr. Merriam be added as a co-author to S.F. No. 2627. The motion prevailed.

Mrs. Benson, J.E. moved that the name of Ms. Ranum be added as a co-author to S.F. No. 2632. The motion prevailed.

Mr. Larson introduced—

Senate Resolution No. 124: A Senate resolution congratulating the Frazee-Vergas Hornets wrestling team on winning the 1992 Class A wrestling championship.

Referred to the Committee on Rules and Administration.

Messrs. Belanger and Riveness introduced—

Senate Resolution No. 125: A Senate resolution congratulating Bloomington Kennedy High School's Kollens Danceline on winning the 1992 State High School Class AAAA danceline competition.

Referred to the Committee on Rules and Administration.

Mr. Dahl moved that S.F. No. 1982, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

S.F. No. 1689: A bill for an act relating to insurance; property and casualty; regulating certain terminations and modifications or changes to certain agent agreements; modifying the definition of loss ratio experience; modifying membership in the board of review; amending Minnesota Statutes 1990, sections 60A.172; and 60A.177, 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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1669: A bill for an act relating to watercraft; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1991 Supplement, section 86B.313, 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	Davis	Johnson, D.J.	Mehrkens	Price
Belanger	Day	Johnson, J.B.	Merriam	Ranum
Benson, D.D.	DeCramer	Johnston	Metzen	Renneke
Benson, J.E.	Dicklich	Kelly	Moe, R.D.	Sams
Berg	Finn	Knaak	Mondale	Samuelson
Berglin	Flynn	Kroening	Morse	Spear
Bernhagen	Frank	Laidig	Neuville	Stumpf
Bertram	Frederickson, D.J.	Langseth	Novak	Traub
Brataas	Frederickson, D.R.	Lessard	Olson	Vickerman
Chmielewski	Halberg	Luther	Pariseau	Waldorf
Cohen	Hottinger	Marty	Piper	
Dahl	Johnson, D.E.	McGowan	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 2002: A bill for an act relating to community service; directing the Minnesota office on volunteer services to prepare a federal grant proposal.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1633: A bill for an act relating to the city of Bloomington; providing for the membership of the port authority; amending Minnesota Statutes 1990, section 469.071, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1854: A bill for an act relating to appropriations; clarifying the purposes for which a certain appropriation may be spent at Worthington community college.

Was read the third time 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	Price
Belanger	Day	Johnson, D.J.	Merriam	Ranum
Benson, D.D.	DeCramer	Johnson, J.B.	Metzen	Renneke
Benson, J.E.	Dicklich	Johnston	Moe, R.D.	Sams
Berg	Finn	Kelly	Mondale	Samuelson
Berglin	Flynn	Knaak	Morse	Spear
Bernhagen	Frank	Kroening	Novak	Stumpf
Bertram	Frederickson, D.J.	Laidig	Olson	Terwilliger
Brataas	Frederickson, D.R.	Langseth	Pappas	Traub
Chmielewski	Gustafson	Luther	Pariseau	Vickerman
Cohen	Halberg	Marty	Piper	Waldorf
Dahl	Hottinger	McGowan	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 1827: A bill for an act relating to livestock diseases; modifying requirements for certain tests; providing for adoption of certain rules; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1990, section 35.245, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 1652: A resolution memorializing the Postmaster General to issue a postal stamp in commemoration of Wanda Gag, American Author and Illustrator.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

S.F. No. 2210: A bill for an act relating to Ramsey county; providing for the certification of eligibles for county positions; amending Minnesota Statutes 1990, section 383A.291, 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	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	Spear
Berglin	Frank	Laidig	Olson	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Terwilliger
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	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. 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. 1919, 1638, 2227, 2011, 1773 and H.F. Nos. 2044, 1911 and 917, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Berglin introduced—

S.F. No. 2650: A bill for an act relating to human services; providing for continuous eligibility for work readiness under certain conditions; extending eligibility duration; establishing a grant diversion program; changing penalties; amending Minnesota Statutes 1990, section 256D.101, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1 and 1a; and 256D.052, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256D; repealing Minnesota Statutes 1990, section 256D.09, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Samuelson introduced—

S.F. No. 2651: A bill for an act relating to the city of Garrison; establishing a dedicated fund to meet city expenses to pay for construction of a city sewer system; permitting a one percent local sales tax upon approval by the city council; providing for a sunset on the tax.

Referred to the Committee on Local Government.

Mr. Chmielewski introduced—

S.F. No. 2652: A bill for an act relating to Aitkin county; permitting a local liquor and restaurant tax.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Vickerman; Frederickson, D.R.; Solon; Morse and Merriam introduced—

S.F. No. 2653: A bill for an act relating to petroleum underground storage tanks; establishing a loan guarantee and interest reduction program; defining terms; providing for the establishment of underwriting standards; establishing a loan guarantee and interest reduction fund; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115C.

Referred to the Committee on Environment and Natural Resources.

Mr. Novak introduced—

S.F. No. 2654: A bill for an act relating to public safety; providing for membership on emergency response commission and regional review committees; requiring mining companies to comply with the hazardous chemical inventory reporting provisions of the federal emergency planning and community right to know act; amending Minnesota Statutes 1990, sections 299K.03, subdivisions 2 and 3; 299K.04, subdivision 1; and 299K.08, subdivision 2.

Referred to the Committee on Veterans and General Legislation.

Messrs. Sams, Larson and Moe, R.D. introduced—

S.F. No. 2655: A bill for an act relating to agriculture; making political subdivisions of the state eligible for reimbursement from the agricultural chemical response and reimbursement account; amending Minnesota Statutes 1990, section 18E.02, subdivision 5.

Referred to the Committee on Agriculture and Rural Development.

Mr. Neuville introduced—

S.F. No. 2656: A bill for an act relating to education; adding independent school district No. 392, Le Center, to those districts with certain additional capital bonding authority; amending Laws 1991, chapter 265, article 5, section 18.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 2657: A bill for an act relating to motor vehicles; providing for the appointment of a deputy registrar in the city of McGregor.

Referred to the Committee on Transportation.

Mr. Laidig introduced—

S.F. No. 2658: A bill for an act relating to commerce; unclaimed property; providing for the recovery of property by others; amending Minnesota

Statutes 1991 Supplement, section 345.485.

Referred to the Committee on Commerce.

Ms. Ranum introduced—

S.F. No. 2659: A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; amending Laws 1990, chapter 366, section 1, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Marty introduced—

S.F. No. 2660: A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 and 6.

Referred to the Committee on Governmental Operations.

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

S.F. No. 2661: A bill for an act relating to elections; prohibiting certain election campaign contributions; eliminating the taxpayer checkoff for election campaign financing; authorizing public campaign financing; decreasing campaign contribution limits; providing penalties; amending Minnesota Statutes 1990, sections 10A.17, subdivision 5; 10A.315; 10A.321, subdivision 2; 10A.323; and 10A.324, subdivision 1; Minnesota Statutes 1991 Supplement, sections 10A.065, subdivision 1; and 10A.27, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1990, sections 10A.065, subdivisions 2 and 4; 10A.25, subdivisions 1, 2, 2a, 3, 4, and 6; 10A.30, subdivision 1; 10A.31, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, 9, and 11; 10A.321, subdivision 1; 10A.322, subdivision 3; 10A.325; and 10A.335; Minnesota Statutes 1991 Supplement, sections 10A.065, subdivision 5; 10A.25, subdivisions 5, 7, and 10; 10A.30, subdivision 2, and 10A.31, subdivisions 3 and 10.

Referred to the Committee on Elections and Ethics.

Ms. Pappas and Mr. Luther introduced—

S.F. No. 2662: A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, section 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 2663: A bill for an act relating to consumer protection; trade regulations; prohibiting commercial telephone solicitation of residential subscribers who elect to not be solicited; setting a fee; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 2664: A bill for an act relating to taxation; extending the class 4a classification to property leased under certain lease-purchase programs; amending Minnesota Statutes 1991 Supplement, section 273.13, subdivision 25, as amended.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Vickerman, DeCramer and Ms. Pappas introduced—

S.F. No. 2665: A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; specifying service that may be offered by courier service carriers; redefining the local cartage zone; increasing registration fees for vehicles of motor carriers; appropriating money; amending Minnesota Statutes 1990, sections 168.013, subdivision 1e; 221.011, subdivisions 7, 8, 9, 14, 25, 28, and by adding subdivisions; 221.036, subdivision 1; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.081; 221.111; 221.121, subdivisions 1, 6, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivisions 11 and 17.

Referred to the Committee on Transportation.

Ms. Reichgott introduced—

S.F. No. 2666: A bill for an act relating to crime; providing for life imprisonment without release for persons who commit first degree murder involving forcible criminal sexual conduct; amending Minnesota Statutes 1990, sections 244.05, subdivisions 4 and 5; and 609.184, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Hottinger, Mondale, Morse, Finn and Mrs. Benson, J.E. introduced—

S.F. No. 2667: A bill for an act relating to education; providing for consumer protection for SELF student loan recipients; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Moe, R.D.; Gustafson; Ms. Reichgott, Mr. Benson, D.D. and Ms. Flynn introduced—

S.F. No. 2668: A resolution memorializing the President and Congress to recognize Labor Day 1992 as "Help Yourself, Buy American Day."

Referred to the Committee on Rules and Administration.

Mr. Knaak introduced—

S.F. No. 2669: A bill for an act relating to education; requiring the consolidation of all independent school districts; amending Minnesota Statutes 1990, section 122.23, subdivision 16.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 2670: A bill for an act relating to Duluth; authorizing the Spirit Mountain recreation area authority to engage in business activities outside the Spirit Mountain recreation area; amending Laws 1973, chapter 327, section 5, by adding a subdivision.

Referred to the Committee on Economic Development and Housing.

Messrs. Sams, Stumpf, Dicklich and Mehrkens introduced—

S.F. No. 2671: A bill for an act relating to education; requiring metric literacy training for teachers; appropriating money.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 2672: A bill for an act relating to the environment; modifying requirements relating to the use of refuse derived fuel; amending Minnesota Statutes 1991 Supplement, section 116.90.

Referred to the Committee on Environment and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 2673: A bill for an act relating to education; changing computations for purposes of sparsity and supplemental revenue; amending Minnesota Statutes 1991 Supplement, section 124A.22, subdivisions 5 and 8.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 2674: A bill for an act relating to education; expanding the possibilities for qualifying as combining districts; amending Minnesota Statutes 1990, section 122.241, subdivision 3.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 2675: A bill for an act relating to education; changing the computation for revenue reduction in certain cases; amending Minnesota Statutes 1991 Supplement, section 124A.26, subdivision 1.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 2676: A bill for an act relating to public finance; providing conditions and requirements for issuance of debt and for the financial obligations of authorities; exempting certain securities from registration requirements; defining acceptable securities for use by self-insurers for workers' compensation; amending Minnesota Statutes 1990, sections 80A.15, subdivision 1; 176.181, subdivision 2, and by adding subdivisions; 429.091, subdivision 2; and 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, sections 469.155, subdivision 12; and 475.66, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Berg introduced—

S.F. No. 2677: A bill for an act relating to taxation; imposing a tax on certain lawful gambling activities; recodifying certain provisions related to lawful gambling; imposing penalties; amending Minnesota Statutes 1990, sections 270.101, subdivision 1; 349.163, subdivision 5; 349.2123; 349.2125, subdivision 1; 349.2127, subdivision 3; and 349.22, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 349.166, subdivision 4; 349.212, as amended; 349.2121; 349.2122; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; and 349.219; and Minnesota Statutes 1991 Supplement, section 349.19, subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Mr. Berg introduced—

S.F. No. 2678: A bill for an act relating to game and fish; transportation of firearms in a motor vehicle; amending Minnesota Statutes 1990, section 97B.045.

Referred to the Committee on Environment and Natural Resources.

Mr. Berg introduced—

S.F. No. 2679: A bill for an act relating to game and fish; granting preference to elderly applicants for licenses or permits to take deer within a refuge; amending Minnesota Statutes 1990, section 97A.091, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.J. introduced—

S.F. No. 2680: A bill for an act relating to taxation; providing a property tax exemption for secondary containment areas used to confine agricultural chemicals; amending Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Renneke introduced—

S.F. No. 2681: A bill for an act relating to education; establishing a method to focus on class sizes, curricula, and educational programs and services for students when negotiating teacher contracts; proposing coding for new

law in Minnesota Statutes, chapter 179A.

Referred to the Committee on Education.

Mr. Kelly introduced—

S.F. No. 2682: A bill for an act relating to employment; requiring compensation for employees for being on-call; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mr. Renneke introduced—

S.F. No. 2683: A bill for an act relating to retirement; permitting school boards in combining and consolidating districts to pay for health insurance for certain retired administrators; increasing retirement benefits for certain retired administrators in combining and consolidating school districts; amending Minnesota Statutes 1990, sections 275.125, by adding a subdivision; and 354.44, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Governmental Operations.

Mr. Renneke introduced—

S.F. No. 2684: A bill for an act relating to education; allowing independent school district No. 424, Lester Prairie, to make a fund transfer.

Referred to the Committee on Education.

Messrs. Davis; Sams; Moe, R.D.; Renneke and Langseth introduced—

S.F. No. 2685: A bill for an act relating to agriculture; changing procedures for refunds of commodity promotion checkoff fees; amending Minnesota Statutes 1991 Supplement, section 17.63.

Referred to the Committee on Agriculture and Rural Development.

Ms. Berglin introduced—

S.F. No. 2686: A bill for an act relating to human services; requiring the commissioner to contract with a prepaid dental plan company to provide dental services to recipients of medical assistance, general assistance medical care, and the children's health plan; amending Minnesota Statutes 1990, section 256B.0625, subdivision 9.

Referred to the Committee on Health and Human Services.

Messrs. DeCramer, Dicklich and Dahl introduced—

S.F. No. 2687: A bill for an act relating to education; modifying the cooperative secondary facilities program; authorizing the sale of bonds; amending Minnesota Statutes 1990, sections 124.493, subdivision 1; 124.494, subdivisions 2 and 4; and 124.495; repealing Minnesota Statutes 1991 Supplement, section 124.493, subdivision 3.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 16, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Monday, March 16, 1992

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Jim Sbertoli.

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

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

Adkins	DeCramer	Johnston	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	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	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	
Day	Johnson, J.B.	Metzen	Renneke	

The President declared a quorum present.

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

MEMBERS EXCUSED

Mrs. Brataas was excused from the Session of today. Ms. Piper was excused from the Session of today from 2:00 to 2:45 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

March 12, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President Hughes:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, Senate File No. 1623.

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1567 and 1763.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1567: A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2354, now on General Orders.

H.F. No. 1763: A bill for an act relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

Referred to the Committee on Environment and Natural Resources.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1725, 1165, 1986, 2497 and 1876. The motion prevailed.

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

S.F. No. 2197: A bill for an act relating to taxation; imposing taxes, increasing tax rates, and dedicating tax revenues for support of nonprofit arts organizations; providing for distribution of the tax proceeds as determined by the state board of the arts; amending Minnesota Statutes 1990, sections 129D.01; 290.62; 297A.02, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 297A.44, subdivision 1; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 129D.

Reports the 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 129D.01, is amended to

read:

129D.01 [DEFINITIONS.]

As used in this chapter, the following terms shall have the definitions given them:

(a) "Arts" means activities resulting in the artistic creation or artistic performance of works of the imagination. Artistic activities include but are not limited to the following forms: music, dance, drama, folk art, architecture and allied fields, painting, sculpture, photography, graphic and craft arts, costume and fashion design, motion pictures, television, radio, tape and sound recording, activities related to the presentation, performance, execution, and exhibition of the art forms, and the study of the arts and their application to the human environment;

(b) "Board" means the board of the arts;

(c) "Director" means the executive director of the board;

(d) "Sponsoring organization" means an association, corporation or other group of persons (1) providing an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and (2) qualifying as a tax-exempt organization ~~within the meaning of section 290.05, subdivision 1, clause (i) under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1991.~~

Sec. 2. [129D.06] [ARTS ORGANIZATIONS; GRANTS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms in paragraphs (b) to (d) have the meanings given them.

(b) "Qualified arts organization" means a sponsoring organization as defined in section 129D.01, paragraph (d), that:

(1) has a three-year average cash revenue budget amount of at least the minimum amount;

(2) is a recipient of a grant from the board or from one of the regional arts councils in the calendar year in which application is made;

(3) has applied for a grant under this section as required by the board under section 129D.04, subdivision 1; and

(4) has been determined by the board to meet the requirements of this paragraph.

A "qualified arts organization" does not include an organization that receives any proceeds from a tax levy under section 450.25.

(c) "Three-year average cash revenue budget" means the average fiscal year cash revenue budget for arts activities for the three fiscal years preceding the year of the application, as defined and audited in accordance with standards set by the board.

(d) "Minimum amount" means \$100,000 for grants paid in calendar year 1993. For grants paid in subsequent years, the minimum amount must be adjusted for inflation by the percentage by which the Minneapolis-St. Paul consumer price index for all-urban consumers published by the United States Department of Labor for the calendar year preceding the year of the distribution exceeds the index for calendar year 1992.

Subd. 2. [GRANTS; AMOUNT.] The board shall make grants to qualified

arts organizations. The amount of the grant made to each qualified arts organization is a percentage of the arts organization's three-year average cash revenue budget. The percentage is equal to the percent of the qualified arts organization's three-year average cash revenue budget that when applied to the three-year average cash revenue budgets of all qualified arts organizations equals the amount available for distribution from the state arts account under subdivision 5.

Subd. 3. [NOTIFICATION.] The board shall notify the state treasurer of the grants to qualified arts organizations as provided in this section. The grants shall be distributed by the state treasurer in semiannual installments no later than June 15 and December 15.

Subd. 4. [REPORT.] A qualified arts organization that receives a grant under this section must annually report to the board by the date required by the board the purposes for which the grant was used in the previous calendar year. The report must be in the form required by the board. The board may require that the report submitted be certified by an independent auditor or a certified public accountant.

Subd. 5. [STATE ARTS ACCOUNT; APPROPRIATION.] The state arts account consists of the tax proceeds credited to it by law. The funds in the account are annually appropriated to the state treasurer for distribution as follows:

(1) 86.67 percent must be used to fund grants to qualified arts organizations as provided in subdivisions 2 and 3; and

(2) 13.33 percent must be distributed to the regional arts councils through the board of the arts acting as a fiscal agent for the regional arts forum.

Sec. 3. Minnesota Statutes 1990, section 290.62, is amended to read:
290.62 [DISTRIBUTION OF REVENUES.]

Subdivision 1. [GENERAL FUND; REFUNDS.] Except as provided in subdivision 2, all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Subd. 2. [TAX ON COMPENSATION PAID TO NONRESIDENT ENTERTAINERS.] The revenues derived from the taxes imposed on compensation of nonresident entertainers under section 290.9201, including interest and penalties, shall be deposited in the general fund and credited to the state arts account created in section 2, for distribution as provided in that section. Payment of refunds from this account must be paid as provided in subdivision 1.

Sec. 4. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [CABLE TELEVISION SERVICES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the furnishing of cable television services under section 297A.01, subdivision 3, paragraph (g), is seven percent.

Sec. 5. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 6. [VIDEOS, TAPES, DISCS, AND RECORDS.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the sale or use of video and audio tapes, cassettes, records, and compact discs is seven percent.

Sec. 6. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 7. [AIRPORT SALES, SERVICES, AND RENTALS.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the sale or use of tangible personal property, meals, drinks, and parking services as defined in section 297A.01, subdivision 3, paragraph (i), on the premises of an airport, as defined in section 360.013, is seven percent. The seven percent rate on meals and drinks applies only if the items are served for consumption on the premises of the airport.

Sec. 7. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 8. [LODGING.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed on the furnishing of lodging and related services, as defined in section 297A.01, subdivision 3, paragraph (e), within the cities of St. Paul and Minneapolis is seven percent.

Sec. 8. Minnesota Statutes 1991 Supplement, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d), and (e), and subdivision 4, 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, except for the tax imposed under section 297A.021, shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

(e) The following revenues, including interest and penalties, must be deposited in the general fund and, after deduction of reasonable expenses for administration, credited to the state arts account created under section 2, for distribution as provided in that section:

(1) 40 percent of the revenues derived from the tax on rental motor vehicles imposed under section 297A.135; and

(2) revenues derived from the tax imposed at a rate of one percent on the furnishing of tangible personal property and services under section 297A.02, subdivisions 5 to 8.

Sec. 9. Minnesota Statutes 1991 Supplement, 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, *eight percent must be credited to the state arts account created in section 2, for distribution as provided in that section, and the remainder must be credited to the general fund.*

Sec. 10. Laws 1986, chapter 396, section 5, is amended to read:

Sec. 5. [LIQUOR, LODGING, AND RESTAURANT TAXES.]

The city may, by resolution, levy in addition to taxes authorized by other law:

(1) a sales tax of not more than three percent on the gross receipts on retail on-sales of intoxicating liquor and fermented malt beverages described in section 473.592 occurring in the downtown taxing area, provided that this tax may not be imposed if sales of intoxicating liquor and fermented malt beverages are exempt from taxation under chapter 297A;

(2) a sales tax of not more than three percent on the gross receipts from the furnishing for consideration of lodging described in section 473.592 by a hotel or motel which has more than 50 rooms available for lodging; the tax imposed under this clause shall be at a rate that, when added to the sum of the rate of the sales tax imposed under Minnesota Statutes, chapter 297A, the rate of the sales tax imposed under section 4, and the rate of any other taxes on lodging in the city of Minneapolis, equals ~~4~~ 13 percent; and

(3) a sales tax of not more than three percent on the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city that occur within the downtown taxing area.

These taxes shall be applied solely to pay costs of collection and to pay or secure the payment of any principal of, premium and interest on any bonds or any costs referred to in section 4, subdivision 3. The commissioner of revenue may enter into appropriate agreements with the city to provide for the collection of these taxes by the state on behalf of the city. The commissioner may charge the city a reasonable fee for its collection from the proceeds of any taxes. These taxes shall be subject to the same interest penalties and enforcement provisions as the taxes imposed under section 473.592.

Sec. 11. [COMMISSIONER OF REVENUE; FORMS.]

The commissioner of revenue shall change the tax forms and instructions as necessary to ensure that the tax proceeds under sections 3 to 8 are properly computed for credit to the state arts account.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 and 2 are effective for grants made in calendar year 1993 and thereafter. Section 3 is effective June 30, 1992, for taxable years ending after that date. Sections 4 to 6, 8, and 10 are effective for sales after June 30, 1992. Section 7 is effective upon local approval by both of the cities of St. Paul and Minneapolis and compliance by both cities with Minnesota Statutes, section 645.021, subdivision 3, for sales after June 30, 1992. Section 9 is effective for net proceeds deposits made after June 30, 1992."

Delete the title and insert:

"A bill for an act relating to taxation; imposing taxes and increasing tax rates for support of nonprofit arts organizations; providing for distribution of the tax proceeds; amending Minnesota Statutes 1990, sections 129D.01; 290.62; 297A.02, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 297A.44, subdivision 1; 349A.10, subdivision 5; and Laws 1986, chapter 396, section 5; proposing coding for new law in Minnesota Statutes, chapter 129D."

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

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

S.F. No. 1165: A bill for an act relating to animals; changing disposition of certain seized animals; amending Minnesota Statutes 1990, section 35.71, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Mr. Benson, D.D. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2206: A resolution memorializing Congress to allow doctors of chiropractic status as commissioned officers in the military.

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

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

S.F. No. 2286: A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, by adding a subdivision.

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

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

S.F. No. 2289: A bill for an act relating to capital improvements; authorizing the issuance of state bonds for the Minnesota national guard education center; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2378: A bill for an act relating to public safety; establishing the automatic fire-safety sprinkler system loan program for existing multifamily residential properties; creating the automatic fire-safety sprinkler system fund; exempting newly installed automatic sprinklers from sales and property taxes; authorizing bonds to be issued to fund the program; appropriating money; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1590: A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribes as employers for purposes of unemployment compensation insurance contributions; amending Minnesota Statutes 1990, section 268.06, 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 268.06, is amended by adding a subdivision to read:

Subd. 34. [EMPLOYERS WHO ARE INDIAN TRIBAL GOVERNMENTS OR WHOLLY OWNED SUBSIDIARIES AND SUBDIVISIONS.] To the extent permissible under the laws of the United States, an Indian tribe defined in section 268.0111, subdivision 5a, and any wholly tribally-controlled subsidiaries and subdivisions shall, if elected by the tribe, be treated as a self-sustaining state and political subdivision employer for the purposes of subdivisions 25, 26, and 31, or as a nonprofit corporation

employer for purposes of subdivisions 28, 29, 30, and 33, or as an employer for which employment is exempt as though under section 268.04, subdivision 12, clause (15). Any such tribal election must be in writing to the commissioner and must agree to be bound by the election for a minimum of two years.

Sec. 2. [TEMPORARY UNEMPLOYMENT INSURANCE RATE; ABATEMENT OF PENALTY, INTEREST, AND COSTS; RED LAKE BAND.]

Notwithstanding Minnesota Statutes, section 268.06, subdivisions 2 and 3a, and to the extent permissible under the laws of the United States, the commissioner of the department of jobs and training is directed to enter into a compromise agreement with the governing body of the Red Lake Band of Chippewa Indians. The agreement shall retroactively establish and apply a zero-percentage contribution rate for each quarter of the years 1988, 1989, 1990, 1991, and 1992, for which no benefits under Minnesota Statutes, sections 268.001 to 268.25, were paid on account of employment for such tribe or for any wholly tribally-controlled subsidiaries or subdivisions thereof. For any such quarter in which benefits were paid but no contribution was made as otherwise required, the compromise agreement shall require such tribe, or such subsidiaries or subdivisions, to pay within a reasonable period of time to the Minnesota unemployment compensation fund an amount equivalent to the amount of benefits paid. All other amounts otherwise payable from such tribe or such subsidiaries or subdivisions for such period, including but not limited to, delinquent contributions, reimbursements, interest, penalties, and costs are: (1) hereby abated; and (2) such tribe and such subsidiaries or subdivisions are hereby relieved of all liability therefor. The commissioner is authorized and directed to include the abatement and relief from liability within the terms of the compromise agreement with such tribe. Any compromise agreement shall include, if permissible under the laws of the United States and as otherwise authorized by state law, the terms of participation or nonparticipation in the state's unemployment compensation program and fund by the tribe or subsidiaries or subdivisions for a minimum of two years following the date of the compromise agreement."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribal governments as employers for purposes of unemployment compensation insurance payments; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2274: A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; amending Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 10, and by adding subdivisions; and 326.84, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After July 1, 1987, all real estate salespersons and all real estate brokers shall be required to successfully complete 15 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date. All salespersons and brokers shall report continuing education on an annual basis no later than June 30, 1990. Hours in excess of 15 earned in any one year may be carried forward to the following year.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive at least two hours of training every even-numbered year in courses in state and federal fair housing laws, regulations, and rules. *The commissioner shall grant a waiver of this requirement to real estate brokers and salespersons engaged solely in professional activities that do not include the sale, leasing, or management of housing. This waiver shall be granted upon written request to the commissioner.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 4, is amended to read:

Subd. 4. [LICENSEE.] “Licensee” means a residential building contractor, ~~or residential remodeler, or specialty contractor~~ licensed under sections 326.83 to 326.98.

Sec. 3. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 6, is amended to read:

Subd. 6. [PUBLIC MEMBER.] “Public member” means a person who is not, and never was, a residential ~~builder,~~ *building contractor, residential remodeler, or specialty contractor* or the spouse of such person, or a person who has no, or never has had a, material financial interest in acting as a residential building contractor, *residential remodeler, or specialty contractor* or a directly related activity.

Sec. 4. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 7, is amended to read:

Subd. 7. [RESIDENTIAL REMODELER.] “Residential remodeler” means a person in the business of contracting or offering to contract to improve existing residential real estate *by providing two or more special skills as defined in this section.* ~~A remodeler has two or more special skills.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 8, is amended to read:

Subd. 8. [RESIDENTIAL BUILDING CONTRACTOR.] “Residential building contractor” means a person in the business of ~~building residential~~

~~real estate or of contracting or offering to contract to build residential real estate or improve existing residential real estate by providing two or more special skills as defined in this section.~~

Sec. 6. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 10, is amended to read:

Subd. 10. [SPECIALTY CONTRACTOR.] “Specialty contractor” means a person ~~other than a residential building contractor, remodeler, or material supplier~~ in the business of contracting or offering to contract to ~~make part of an improvement to residential real estate, including roofing provide one special skill as defined in this section.~~

Sec. 7. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 11. [SPECIAL SKILL.] “Special skill” means one of the following categories:

(a) [EXCAVATION.] *Excavation includes work in any of the following areas:*

- (1) *excavation;*
- (2) *trenching;*
- (3) *grading;*
- (4) *site grading; and*
- (5) *septic systems.*

(b) [MASONRY AND CONCRETE.] *Masonry and concrete includes work in any of the following areas:*

- (1) *drain systems;*
- (2) *poured walls;*
- (3) *slabs and poured-in-place footings;*
- (4) *masonry walls;*
- (5) *masonry fireplaces;*
- (6) *masonry veneer; and*
- (7) *water resistance and waterproofing.*

(c) [CARPENTRY.] *Carpentry includes work in any of the following areas:*

- (1) *rough framing;*
- (2) *finish carpentry;*
- (3) *siding;*
- (4) *doors and windows;*
- (5) *exterior covering and trim;*
- (6) *porches and decks;*
- (7) *wood foundations;*
- (8) *insulation and vapor barrier;*
- (9) *drywall installation, excluding taping and finishing;*

(10) cabinet installation; and

(11) wood floors.

(d) [INTERIOR FINISHING.] Interior finishing includes work in any of the following areas:

(1) floor covering;

(2) wood floors;

(3) cabinet installation;

(4) insulation and vapor barriers;

(5) counter tops;

(6) painting and decorating;

(7) ceramic, marble, and quarry tile; and

(8) ornamental guardrail and prefabricated stairs.

(e) [EXTERIOR FINISHING.] Exterior finishing includes work in any of the following areas:

(1) siding;

(2) doors and windows;

(3) soffit fascia and trim;

(4) exterior plaster and stucco;

(5) painting;

(6) rain carrying systems, including gutters and down spouts; and

(7) roofing.

(f) [DRYWALL AND PLASTER.] Drywall and plaster includes work in any of the following areas:

(1) installation;

(2) taping;

(3) finishing; and

(4) interior plaster.

(g) [ROOFING.] Roofing includes work in any of the following areas:

(1) roof sheathing;

(2) roof weatherproofing and insulation;

(3) repair of structural damage to roof support system, but not construction of new roof support system; and

(4) skylights.

(h) [GENERAL INSTALLATION SPECIALTIES.] Installation includes work in any of the following areas:

(1) garage doors and openers;

(2) pools, spas, and hot tubs;

(3) fireplaces and wood stoves;

(4) fire suppression;

(5) asphalt paving and seal coating; and

(6) manufactured home retailers and installers.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 12. [PERSON.] "Person" means a natural person, firm, partnership, corporation, or association, and the officers, directors, employees, or agents of that person.

Sec. 9. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 13. [QUALIFYING PERSON.] "Qualifying person" means the individual who fulfills the examination and education requirements for licensure on behalf of the licensee.

Sec. 10. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 14. [GROSS ANNUAL RECEIPTS.] "Gross annual receipts" means the total amount derived from contracting activities, and must not be reduced by cost of goods sold, expenses, losses, or any other amount.

Sec. 11. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 1, is amended to read:

Subdivision 1. [PERSONS REQUIRED TO BE LICENSED.] A person who offers to provide two or more special skills as defined in section 326.83 must be licensed as a residential building contractor or residential remodeler, unless the person is licensed by the state as a specialty contractor for each of those special skills.

Subd. 1a. [PROHIBITION.] Except as provided in subdivision 3, no person may engage in the work of a persons required to be licensed by subdivision 1 may act or hold themselves out as residential building contractor, remodeler, or specialty contractor contractors or residential remodelers for compensation without a valid license issued by the commissioner. The commissioner shall recommend which types of one-skill competency or single special skill groups must be licensed as specialty contractors and report to the legislature by January 31, 1992, with the recommended types of specialty groups, the licensing procedures, and potential continuing education requirements.

Subd. 1b. [LICENSING CRITERIA.] The examination and education requirements for licensure under sections 326.84 to 326.98 must be fulfilled by a qualifying person designated by the potential licensee. For a sole proprietorship, the qualifying person must be the proprietor or managing employee. For a partnership, the qualifying person must be a general partner or managing employee. For a corporation, the qualifying person must be a chief executive officer or managing employee. If the qualifying person is a managing employee, the qualifying person must be an employee who is regularly employed by the licensee and is actively engaged in the classification of work for which the managing employee qualifies on behalf of the licensee. A qualifying person for a corporation may act as a qualifying person for one additional corporation if one of the following conditions exists:

(1) *there is a common ownership of at least 25 percent of each licensed corporation for which the person acts in a qualifying capacity; or*

(2) *one corporation is a subsidiary of another corporation for which the same person acts in a qualifying capacity. "Subsidiary," as used in this section, means a corporation of which at least 25 percent is owned by the parent corporation.*

Subd. 1c. [MULTIPLE LICENSES.] Any person who offers to provide two or more special skills as defined in this section must be licensed as a residential building contractor or residential remodeler, unless the person is licensed by the state of Minnesota as a specialty contractor for each of those special skills.

Sec. 12. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The license requirement does not apply to:

- (1) an employee of a licensee performing work for the licensee;
- (2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;
- (3) an owner or owners of residential real estate who improve the residential real estate or who build or improve a structure on the residential real estate and who do the work themselves or jointly with the owner's own employees or agents;
- (4) an architect or engineer engaging in professional practice as defined in this chapter;
- (5) a person engaging in any project by one or more contracts, for which the aggregate contract price, including labor, materials, installation, and all other items, is less than \$2,500. The \$2,500 limit may be exceeded by the unlicensed person if the person's total gross annual receipts from projects regulated under this section do not exceed \$15,000;
- (6) a mechanical contractor, plumber, or electrician;
- (7) a person doing excavation for the installation of an on-site sewage treatment system;
- (8) all specialty contractors that were required to be licensed by the state before the effective date of Laws 1991, chapter 306, sections 7 to 22; ~~and~~
- (9) specialty contractors that are not required to be licensed, as determined by the legislature; *and*
- (10) *a school district, technical college, or a school district or technical college instructor acting within the scope of employment.*

Sec. 13. [326.875] [NOTICE OF CHANGE.]

Written notice must be given to the commissioner by each licensee of any change in personal name, trade name, qualifying person, address, or business location not later than 15 business days after the change. The commissioner shall issue an amended license, if required, for the unexpired period.

Sec. 14. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The application must include the following information regarding the applicant:

- (1) Minnesota workers' compensation insurance account number;
- (2) employment insurance account number;
- (3) type of license requested;
- (4) name and address of the applicant if the applicant is a sole proprietor; ~~name and address of each partner if the applicant is a partnership; or name and address of each of the corporate officers, directors, and all shareholders holding more than five percent of the outstanding stock in the corporation;~~

(i) name and address of the applicant's qualifying person, if other than applicant; and

(ii) if the applicant is a sole proprietorship, the name and address of the sole proprietor; if the applicant is a partnership, the name and address of each partner; if the applicant is a corporation, the name and address of each of the corporate officers, directors, and all shareholders holding more than ten percent of the outstanding stock in the corporation;

(5) whether the applicant *or qualifying person* has ever been licensed in this or any other state and has had a professional or vocational license refused, suspended, or revoked, *or has been the subject of any administrative action;*

(6) whether the applicant, *qualifying person*, or any of ~~its~~ *the applicant's* corporate or partnership directors, officers, limited or general partners, managers, or all shareholders holding more than ~~five~~ *ten* percent of the outstanding stock of the corporation has been convicted of a crime that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a judgment in a civil action involving fraud, misrepresentation, negligence, or breach of contract, or conversion within the ten years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental unit or agency in this or any other state;

(7) ~~the applicant's education and experience as they relate to the requested type of license; and~~

~~(8) the applicant's and qualifying person's business history for the past five years and whether the applicant or qualifying person has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant or qualifying person; and~~

(8) whether the qualifying person is the qualifying person for more than one licensee.

For purposes of this subdivision, "applicant" includes employees who exercise management or policy control over the company, partnership directors, officers, limited or general partners, managers, or all shareholders holding more than ten percent of the outstanding stock of the corporation.

The commissioner may require further information as the commissioner deems appropriate to administer the provisions and further the purposes of this chapter.

Sec. 15. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 3, is amended to read:

Subd. 3. [EXAMINATION.] All ~~individual applicants~~ *qualifying persons* must satisfactorily complete a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

Each examination must be designed for the specified type of license requested. The council shall advise the commissioner on the grading, monitoring, and updating of examinations.

Sec. 16. Minnesota Statutes 1991 Supplement, section 326.91, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 326.83 to 326.98.

Nothing in this section prevents the commissioner from denying, suspending, revoking, or restricting a license, or from censuring a licensee based on acts or omissions not specifically enumerated in this subdivision.

Sec. 17. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] A person required to be licensed under sections 326.83 to 326.98 who performs unlicensed work as a ~~residential building contractor, remodeler, or specialty contractor~~ is guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER ACTION.] The commissioner may bring actions, including cease and desist actions, against ~~an unlicensed or licensed residential building contractor, remodeler, or specialty contractor~~ *any person required to be licensed under sections 326.83 to 326.98* to protect the public health, safety, and welfare.

Sec. 19. Minnesota Statutes 1991 Supplement, section 326.93, subdivision 1, is amended to read:

Subdivision 1. [LICENSE.] A nonresident of Minnesota may be licensed as a residential building contractor, ~~or residential remodeler, or specialty contractor~~ upon compliance with all the provisions of sections 326.83 to 326.98.

Sec. 20. Minnesota Statutes 1991 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. [INSURANCE.] ~~Residential building contractors, remodelers, and specialty contractors~~ *Licenseses* must have public liability insurance with

limits of at least \$100,000 per occurrence and ~~\$10,000 property damage insurance~~. The commissioner may increase the minimum amount of insurance required based on the type of license and the annual gross receipts of the licensee for any licensee or class of licensees if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.

Sec. 21. Minnesota Statutes 1991 Supplement, section 326.97, subdivision 1, is amended to read:

Subdivision 1. [~~APPROVAL~~ RENEWAL.] Licensees whose applications have been properly and timely filed and who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business whether or not the renewed license has been received. Application for renewal of a license is required every two years after the initial issuance. Applications are timely if received or post-marked by ~~December~~ March 15 of the year prior to the renewal year. Applications must be made on a form approved by the commissioner.

Sec. 22. Minnesota Statutes 1991 Supplement, section 326.99, is amended to read:

326.99 [INITIAL TEMPORARY LICENSES.]

Residential building contractors and residential 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.

Sec. 23. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 326.84, subdivision 2, is repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; prescribing the powers and duties of the commissioner; amending Minnesota Statutes 1991 Supplement, sections 82.22, subdivision 13; 326.83, subdivisions 4, 6, 7, 8, 10, and by adding subdivisions; 326.84, subdivisions 1 and 3; 326.89, subdivisions 2 and 3; 326.91, subdivision 2; 326.92, subdivisions 1 and 3; 326.93, subdivision 1; 326.94, subdivision 2; 326.97, subdivision 1; and 326.99; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1991 Supplement, section 326.84, subdivision 2."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1649: A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

Page 1, line 13, after the period, insert "*This report must be filed annually on December 31.*"

Pages 1 and 2, delete section 2

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. Solon from the Committee on Commerce, to which was referred

S.F. No. 2175: A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex; amending Minnesota Statutes 1990, section 340A.509.

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

Delete everything after the enacting clause and insert:

"Section 1. [BLOOMINGTON; ALCOHOLIC BEVERAGES SALES.]

Notwithstanding any provision of home rule charter, ordinance, or general or special law, the city of Bloomington may not prohibit retail sale of alcoholic beverages by reason of the fact that an on-sale establishment is located within 1,000 feet of a school existing within a retail and entertainment complex and operated by more than one school district or operated by one school district as agent for one or more other school districts.

Any previously adopted city charter or ordinance contrary to the provisions herein shall only be invalid to the extent it violates this section.

Sec. 2. [LOCAL APPROVAL.]

This act is effective the day after the city council of the city of Bloomington files a certificate of approval in compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting the city of Bloomington from prohibiting certain retail sales of alcoholic beverages."

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. 2213: A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3;

46.131, subdivision 4; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 56.04; 56.07; 56.12; 56.125, subdivision 2; 56.131, subdivision 4; 300.23; 300.52, subdivision 1; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

FINANCIAL INSTITUTIONS

Section 1. Minnesota Statutes 1990, section 46.041, subdivision 4, is amended to read:

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the ~~state treasurer and credited by the treasurer to department of commerce to be deposited in~~ the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 2. Minnesota Statutes 1990, section 46.044, is amended to read:

46.044 [CHARTERS ISSUED, CONDITIONS.]

If (1) the applicants are of good moral character and financial integrity, (2) there is a reasonable public demand for this bank in this location, (3) the organization expenses being paid by the ~~subscribing shareholders~~ bank do not exceed ~~the necessary legal expenses incurred in drawing incorporation papers and the publication and the recording thereof, as required by law~~ those allowed by section 46.043, (4) the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, (5) the commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, and (6) the applicant, if it is an interstate bank holding company, as defined in section 48.92, has provided developmental loans as required by section 48.991, and has complied with the net new funds reporting requirements of section 48.93, the application must be granted; otherwise it must be denied. In case of the denial of the application, the commissioner of commerce shall specify the grounds for the denial. A person aggrieved, may obtain judicial review of the determination in accordance with chapter 14.

Sec. 3. Minnesota Statutes 1990, section 46.047, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state, *or a holding company which owns or otherwise controls the banking institution.*

Sec. 4. Minnesota Statutes 1990, section 46.048, subdivision 3, is amended to read:

Subd. 3. [BACKGROUND CHECKS.] In addition to any other information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2 *and Public Law Number 92-544.*

Sec. 5. Minnesota Statutes 1990, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the Federal Deposit Insurance Corporation, the ~~Federal Savings and Loan Insurance Corporation~~ *federal office of thrift supervision, the federal home loan bank system,* the National Credit Union Administration, comptroller of the currency, a legally constituted state credit union share insurance corporation approved under section 52.24, ~~the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10,~~ or state and federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 6. Minnesota Statutes 1990, section 47.10, is amended to read:

47.10 [REAL ESTATE; ACQUISITION, HOLDING.]

Subdivision 1. [AUTHORITY, APPROVAL, LIMITATIONS.] (a) Except as otherwise specially provided, the net book value of land and buildings for the transaction of the business of the corporation, including parking lots and premises leased to others, shall not be more than as follows:

(1) for a bank, trust company or stock savings association, if investment is for acquisition and improvements to establish a new bank, or is for improvements to existing property or acquisition and improvements to adjacent property, approval by the commissioner of commerce is not required

if the total investment does not exceed 50 percent of its existing capital stock and paid-in surplus. Upon written prior approval of the commissioner of commerce, a bank, trust company or stock savings association may invest in the property and improvements in clause (1) or for acquisition of non-adjacent property for expansion or future use, if the aggregate of all such investments does not exceed 75 percent of its existing capital stock and paid-in surplus;

(2) for a savings bank, 50 percent of its net surplus;

(3) for a mutual building and loan association, five percent of its net assets.

(b) For purposes of this subdivision, an intervening highway, street, road, alley, other public thoroughfare, or easement of any kind does not cause two parcels of real property to be nonadjacent.

Subd. 2. [BOOKS AND RECORDS.] With the exception of annual amortization charges which are made in accordance with generally accepted accounting principles, no state bank, trust company, savings bank, or building and loan association shall decrease the actual cost of the investment as shown on its books by a charge to any of its capital accounts unless approved by the commissioner.

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or building and loan association may acquire *real* property and improvements of any nature *to it* for its place of business by lease agreement if the lessor has an existing direct or indirect interest in the management or ownership of the bank, trust company, savings bank, or building and loan association without prior written approval by the commissioner. This includes subsequent amendments and associated leasehold improvements.

Subd. 4. [APPROVAL OF CERTAIN INSIDER AGREEMENTS.] No bank, trust company, savings bank, or savings association may purchase or sell real property, personal property, improvements or equipment of a value of \$25,000 or more if the purchaser or seller other than the bank, trust company, savings bank, or savings association has an existing direct or indirect interest in the institution without prior written approval by the commissioner. *Each bank, trust company, savings bank, or savings association must maintain documentation of transactions with interested parties, including personal property leases and purchases or sales of under \$25,000, which demonstrates the commercial reasonableness and fair market value of the transaction.*

Sec. 7. Minnesota Statutes 1990, section 47.101, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS TO DEPARTMENT OF COMMERCE.] An application by a banking institution to relocate its main office outside a radius of three miles measured in a straight line, ~~or referred from the commissioner of commerce pursuant to subdivision 2,~~ shall be approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

Sec. 8. Minnesota Statutes 1990, section 47.20, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$100,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage

does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of apartments as defined in section 515.02 to be created out of existing structures pursuant to the Minnesota condominium act, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan

within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or cooperative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, section 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wrap-around mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

(12) ~~"Monthly index of the federal home loan mortgage corporation auction yields" means the net weighted average yield of accepted offers in the eight month forward commitment program of the federal home loan mortgage corporation in a month.~~

(13) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(14) (13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a townhouse or planned unit development, a condominium apartment, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation

residence, or residence of some other denomination.

~~(15)~~ (14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 9. Minnesota Statutes 1990, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. [MAXIMUM INTEREST RATE.] (a) No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which shall be based upon the monthly index of the federal home loan mortgage corporation auction yields as compiled by the federal home loan mortgage corporation. The maximum lawful interest rate shall be computed as follows:

~~(1)~~ The maximum lawful rate of interest for a conventional or cooperative apartment loan or contract for deed made or contracted for during any calendar month is equal to the monthly index of the federal home loan mortgage corporation auction yields for the first preceding calendar month plus an additional three-eighths of one percent per annum rounded off to the next highest quarter of one percent per annum. *in an amount equal to the rate of interest on 20 year obligations of the United States in effect at the end of the preceding calendar month.*

~~(2)~~ (b) On or before the last day of each month the commissioner of commerce shall determine, based on available statistics, the monthly index of the federal home loan mortgage corporation auction yields for that calendar month and shall determine the maximum lawful rate of interest for conventional or cooperative apartment loans or contracts for deed for the next succeeding month as defined in ~~clause (1)~~ paragraph (a), and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey county on or before the first day of each month or as soon thereafter as practicable and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of that month. ~~If a federal home loan mortgage corporation eight month forward commitment purchase program is not held in any month, the maximum lawful rate of interest determined by the commissioner of commerce pursuant to the last auction is the maximum lawful rate of interest through the last day of the month in which the next auction is held.~~

~~(3)~~ (1) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

~~(4)~~ (2) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward

commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional or cooperative apartment loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of clause ~~(3)~~ (1) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

~~(5)~~ (3) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 10. Minnesota Statutes 1990, section 47.20, subdivision 5, is amended to read:

Subd. 5. (a) No conventional loan or loan authorized in subdivision 1 made on or after the effective date of Laws 1977, chapter 350 shall contain a provision requiring or permitting the imposition of a penalty in the event the loan or advance of credit is prepaid.

(b) *A precomputed conventional loan or precomputed loan authorized in subdivision 1 shall provide for a refund of the precomputed finance charge according to the actuarial method if the loan is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date. The actuarial method for the purpose of this section is the amount of interest attributable to each fully unexpired monthly installment period of the loan contract following the date of prepayment in full, calculated as if the loan was made on an interest-bearing basis at the rate of interest provided for in the note based on the assumption that all payments were made according to schedule. A precomputed loan for the purpose of this section means a loan for which the debt is expressed as a sum comprised*

of the principal amount and the amount of interest for the entire term of the loan computed actuarially in advance on the assumption that all scheduled payments will be made when due, and does not include a loan for which interest is computed from time to time by application of a rate to the unpaid principal balance, interest-bearing loans, or simple-interest loans. For the purpose of calculating a refund for precomputed loans under this section, any portion of the finance charge for extending the first payment period beyond one month may be ignored. Nothing in this section shall be considered a limitation on discount points or other finance charges charged or collected in advance, and nothing in this section shall require a refund of the charges in the event of prepayment. Nothing in this section shall be considered to supersede section 47.204.

Sec. 11. Minnesota Statutes 1990, section 47.54, is amended to read:

47.54 [NOTICES AND APPROVAL PROCEDURES.]

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge a written application in the form prescribed by the commissioner and shall file the application in the commissioner's office with a fee of \$500. ~~If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties.~~ The applicant shall within 30 days of the receipt of the form prescribed by the commissioner publish a notice of the filing of the application in a qualified newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality in which the proposed detached facility is to be located. In addition to the publication, the applicant must mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner provided in section 47.52.

Subd. 2. [APPROVAL ORDER.] If no objection is received by the commissioner within 21 days after the publication and mailing of the notices, the commissioner shall issue an order approving the application without a hearing if it is found that (a) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b) the establishment of the proposed detached facility will improve the quality or increase the availability of banking services in the community to be served, and (c) the establishment of the proposed detached facility will not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served. Otherwise, the commissioner shall deny the application. Any proceedings for judicial review of an order of the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Subd. 3. [OBJECTIONS; HEARING.] If any bank within three miles of the proposed location of the detached facility objects in writing within 21

days, the commissioner shall ~~fix a time, within 60 days after filing of the objection, for a hearing, and the record of the hearing shall be considered by the commissioner in deciding whether or not the application shall be granted.~~ A notice of the hearing shall be published in the form prescribed by the commissioner in a newspaper as described in subdivision 1, at the expense of the applicant, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicant and any witnesses who may appear in favor of or against the granting of the application. ~~The hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedures act, sections 14.001 to 14.69, governing contested cases, including the provisions of the act relating to judicial review of agency decisions.~~ *consider the objection. If the objection also requests a hearing, the objector must include the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.*

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the detached facility is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed detached facility. If an application is contested and a hearing is granted, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the commissioner of commerce to be deposited in the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Subd. 4 5. [DECISION AFTER HEARING.] If upon the hearing, it appears to the commissioner that the requirements for approval contained in subdivision 2 have been met, the commissioner shall, not later than 90 days after the hearing, issue an order approving the application. If the

commissioner shall decide that the application should not be granted, the commissioner shall issue an order to that effect and forthwith give notice by certified mail to the applicant.

Subd. 5 6. [EXPIRATION AND EXTENSION OF ORDER.] If a facility is not activated within 18 months from the date of the order, the approval order automatically expires. Upon request of the applicant prior to the automatic expiration date of the order, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's order is the subject of an appeal in accordance with chapter 14, the time period referred to in this section for activation of the facility and any extensions shall begin when all appeals or rights of appeal from the commissioner's order have concluded or expired.

Sec. 12. Minnesota Statutes 1990, section 47.55, is amended to read:

47.55 [~~EXISTING FACILITY~~ BANKING FACILITIES OR BRANCHES OF SAVINGS ASSOCIATIONS.]

Subdivision 1. [BANKING FACILITIES IN OPERATION PRIOR TO MAY 1, 1971.] A bank may retain and operate one detached facility as it may have had in operation prior to May 1, 1971 without requirement of approval hereunder, provided that its function is limited as provided in section 47.53 and its location conforms with the provisions of section 47.52. A bank having such a retained detached facility shall be limited to operating two additional detached facilities.

Subd. 2. [FACILITIES OF BANKS OR BRANCHES OF SAVINGS ASSOCIATIONS IN OPERATION PRIOR TO ACQUISITION.] *The purchase of assets and assumption of liabilities of an existing detached facility of another bank or branch of a savings and loan association or savings bank must follow the notice and approval procedures in section 47.54 to establish and maintain a new detached facility of the acquiring bank at that location but need not obtain the consent of other banks as required by section 47.52.*

Sec. 13. Minnesota Statutes 1990, section 48.02, is amended to read:

48.02 [CAPITAL AND SURPLUS; PREPAYMENT OF CAPITAL.]

The capital and surplus of every state bank hereafter organized shall be at least \$250,000. In addition thereto undivided profits shall be provided for in such an amount as the commissioner shall determine to be adequate under the circumstances to avoid any possible impairment of capital and surplus. The total of these outlays shall be known as capital funds, and payment thereof shall be made in full, in cash or authorized securities, deposited in an approved custodial bank, and certified to the commissioner, under oath of the president, and cashier or other chief financial officer, as well as the custodial bank, before the proposed state bank shall be authorized to commence business. The capital funds of a proposed bank shall not be less than a total amount which the commissioner considers necessary, having in mind the deposit potential for such a proposed bank and current banking industry standards of capital adequacy.

Sec. 14. Minnesota Statutes 1991 Supplement, section 48.512, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary

shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. 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 the checking account applicant presents identification required under subdivision 2, paragraph (g), that meets the requirements of section 29.* 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. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Sec. 15. Minnesota Statutes 1990, section 48.89, subdivision 5, is amended to read:

Subd. 5. No bank may cause to be performed, by contract or otherwise, any clerical services for itself from a clerical service corporation *or any other person*, whether on or off its premises, unless assurances satisfactory to the commissioner are furnished to the commissioner by both the bank and the party performing such services that the performance thereof will be subject to regulation and examination by the commissioner to the same extent as if such services were being performed by the bank itself on its own premises.

Sec. 16. Minnesota Statutes 1990, section 49.34, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF BANK OR SAVINGS ASSOCIATION FOR OPERATION AS DETACHED FACILITY.] (a) Notwithstanding the geographic limitations of subdivision 1, and the distance limitations and consent requirements of section 47.52, a state bank may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if the operation of them otherwise conforms to the limitations of section 47.52.

(b) In addition to the authority granted in paragraphs (a) and (c), and notwithstanding the geographic limitations of subdivision 1 and the limitations on number of facilities and consent requirements contained in section 47.52, a state bank whose main banking office is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation, or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if each resulting detached facility

is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(c) Where the commissioner has determined that a merger, consolidation or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a state bank or, national banking association, or state or federal savings and loan association or savings bank, the limitations on location and number of detached facilities in section 47.52 shall not apply to the establishment of a detached facility directly resulting from such acquisition. The establishment of a detached facility in order to prevent the a probable failure of a bank as provided in this subdivision paragraph shall not require the written consent of banks having a principal office in the municipality in which the resulting detached facility will be located, notwithstanding the provisions of section 47.52.

The consolidation or merger under this paragraph of a capital stock savings and loan association or savings bank and a bank shall be effected in the manner provided in sections 49.33 to 49.41. A savings and loan association or savings bank that is a mutual association may be acquired directly under this paragraph through the purchase of assets and assumption of liabilities. A state bank acquiring a savings and loan association or savings bank under this paragraph must, with the approval of the commissioner of commerce, establish a reasonable date by which the bank will cease all activities conducted by the savings and loan association or savings bank that are not authorized activities for the bank.

Sec. 17. Minnesota Statutes 1990, section 52.06, subdivision 1, is amended to read:

Subdivision 1. [REPORT AND AUDIT SCHEDULE.] Credit unions shall be under the supervision of the commissioner of commerce. Each credit union shall annually, on or before January 25, file a report with the commissioner of commerce on forms supplied by the commissioner for that purpose giving such relevant information as the commissioner may require concerning the operations during the preceding calendar year. Additional reports may be required. Credit unions shall be examined, at least once every 18 calendar months, by the commissioner of commerce, ~~except that if a credit union requests, the commissioner may accept the audit of a certified public accountant in place of this examination. Such certified public accountant must be approved by the commissioner. The qualitative type of audit examination to be performed by the certified public accountant shall be defined by rule and approved by the commissioner.~~ Further, in lieu of this examination the commissioner may accept any examination made by the National Credit Union Administration, provided a copy of the examination is furnished to the commissioner. A report of the examination by the commissioner of commerce shall be forwarded to the president, or the chair of the board if the position is so designated pursuant to section 52.09, subdivision 4, of the examined credit union within 60 days after completion of the examination. Within 60 days of the receipt of such report, a general meeting of the directors and committees shall be called to consider matters contained in the report. For failure to file reports when due, unless excused for cause, the credit union shall pay to the state treasurer \$5 for each day of its delinquency.

Sec. 18. Minnesota Statutes 1990, section 52.24, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE ACCOUNTS.] Every credit union under

the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the National Credit Union Act, or insurance from a legally constituted credit union share insurance corporation. A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve or merge with another credit union which is insured under title II of the National Credit Union Act, or by a legally constituted credit union share insurance corporation.

For purposes of this subdivision, a legally constituted credit union share insurance corporation is one approved by the commissioner or incorporated by special law enacted by this state. The approval criteria for consideration of any such corporation not incorporated by special law enacted by this state may be adopted by rule pursuant to chapter 14.

Sec. 19. Minnesota Statutes 1990, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information, unless requested. The filing fee for a branch application shall be \$500 and the investigation fee \$250. If a corporation has been issued more than one certificate of authorization, the corporation shall allocate a portion of capital stock to each office for which a certificate has been issued, in order to comply with the capital requirements of sections 53.02 and 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly. *No change in place of business of a company to a location outside of its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same certificate unless all of the applicable requirements of this section have been met.*

Sec. 20. Minnesota Statutes 1990, section 53.09, subdivision 2, is amended to read:

Subd. 2. [REPORT TO COMMISSIONER.] (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner and published once, at the expense of the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of commerce.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 21. Minnesota Statutes 1990, section 56.04, is amended to read:

56.04 [INVESTIGATION; ISSUANCE OF LICENSE; DENIAL; REFUNDS.]

Upon the filing of the application and payment of these fees, the commissioner shall investigate the facts, and if the commissioner shall find (1) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the person with direct responsibility for the operation and management of the proposed office are such as to command confidence and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and *primarily for purposes other than making loans to finance the purchase of products or services, other than insurance products authorized in this chapter or chapter 62B, offered by the applicant, a person which controls or is controlled by the applicant, or a person which is controlled by persons which also control the applicant; and* (2) that the applicant has available for the operation of the business, at the specified location, liquid assets of at least \$50,000 (the foregoing facts being conditions precedent to the issuance of a license under this chapter), the commissioner shall thereupon issue and deliver a license to the applicant to make loans, in accordance with the provisions of this chapter, at the location specified in the application. If the commissioner shall not so find, the commissioner shall not issue a license and shall notify the applicant of the denial and return to the applicant the sum paid by the applicant as a license fee, retaining the \$250 investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny every application for license hereunder within 60 days from the filing thereof with the fees.

If the application is denied, the commissioner shall, within 20 days thereafter, file in the commissioner's office a written decision and findings with respect thereto containing the evidence and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

There is hereby appropriated to such persons as are entitled to such refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 22. Minnesota Statutes 1990, section 56.07, is amended to read:

56.07 [CONTROL OVER LOCATION.]

Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.

When a licensee shall wish to change a place of business, the licensee shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. *No change in the place of business of a licensee to its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same license unless all of the requirements of section 56.04 have been met.*

A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday.

Sec. 23. Minnesota Statutes 1990, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

- (1) the proceeds of the loan are used to finance the purchase of a manufactured home; or
- (2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of

any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail or *arranging for settlement and closing of real estate secured loans by an unrelated qualified closing agent at a location other than the licensed location.*

Sec. 24. Minnesota Statutes 1990, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, sections 53.04, *subdivision 3a, paragraph (c), 56.01 and, 56.12, and 56.125* shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index for adjustments of dollar amounts, except that the index for December, 1984 is the reference base index for the minimum default charge of \$4. *The reference base index for subdivision 1, paragraph (a), clause (1), and subdivision 2, paragraph (d), is December, 1990.*

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more, but;

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1981, chapter 258 on the date of enactment; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1981, chapter 258 as a result of earlier application of this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if that person relies on dollar amounts either determined according to paragraph (b), clause (2) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(f) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Sec. 25. Minnesota Statutes 1990, section 61A.09, subdivision 3, is amended to read:

Subd. 3. Group life insurance policies may be issued to cover groups of not less than ten debtors of a creditor written under a master policy issued to a creditor to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed *the greater of* the actual or scheduled amount of their indebtedness. Each application for group mortgage insurance offered prior to or at the time of loan closing shall contain a clear and conspicuous notice that the insurance is optional and is not a condition for obtaining the loan. Each person insured under a group insurance policy issued under this subdivision shall be furnished a certificate of insurance which conforms to the requirements of section 62B.06, subdivision 2, and which includes a conversion privilege permitting an insured debtor to convert, without evidence of insurability, to an individual policy of decreasing term insurance within 30 days of the date the insured debtor's group coverage is terminated for any reason other than the nonpayment of premiums. The initial amount of coverage under the individual policy shall be an amount equal to the amount of coverage terminated under the group policy and shall decrease over a term that corresponds with the scheduled term of the insured debtor's mortgage loan. The premium for the individual policy shall be the same premium the insured debtor was paying under the group policy. *If the mortgage loan provides for a variable rate of finance charge or interest, the initial rate shall be used in determining the scheduled amount of indebtedness.*

Sec. 26. Minnesota Statutes 1990, section 62B.02, is amended by adding a subdivision to read:

Subd. 8. [CREDIT TRANSACTION.] "*Credit transaction*" means a loan, installment sale, time-price sale, or lease. A lease that is a credit transaction

for the purposes of this chapter is not a credit transaction for other purposes unless other applicable law provides to the contrary.

Sec. 27. Minnesota Statutes 1990, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE INSURANCE.] (1) The initial amount of credit life insurance shall not exceed the amount of principal repayable under the contract of indebtedness. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance shall not exceed the scheduled or actual amount of indebtedness, whichever is greater. *If the contract of indebtedness provides for a variable rate of finance charge or interest, the initial rate must be used in determining the scheduled amount of indebtedness and subsequent changes in the rate must be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.*

(2) Notwithstanding clause (1), the amount of credit life insurance written in connection with credit transactions repayable over a specified term exceeding 63 months shall not exceed *the greater of*: (i) the actual amount of unpaid indebtedness as it exists from time to time; or (ii) where an indebtedness is repayable in substantially equal installments according to a predetermined schedule, the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to two monthly payments. *If the credit transaction provides for a variable rate of finance charge or interest, the initial rate must be used in determining the scheduled amount of unpaid indebtedness and subsequent changes in the rate must be disregarded in determining whether the contract is repayable in substantially equal installments according to a predetermined schedule.*

(3) Notwithstanding clauses (1) and (2), insurance on educational, agricultural, and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

Sec. 28. Minnesota Statutes 1990, section 62B.04, subdivision 2, is amended to read:

Subd. 2. [CREDIT ACCIDENT AND HEALTH INSURANCE.] The total amount of periodic indemnity payable by credit accident and health insurance in the event of disability, as defined in the policy, shall not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness; and the amount of each periodic indemnity payment shall not exceed the original indebtedness divided by the number of periodic installments. *If the credit transaction provides for a variable rate of finance charge or interest, the initial rate must be used in determining the aggregate of the periodic scheduled unpaid installments of the indebtedness.*

Sec. 29. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

Subd. 9. [SECURITY.] *Beginning July 1, 1993, all drivers' licenses of any class, issued by the department, must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The department shall give preference to a driver's license design that utilizes, to the extent possible, materials that are not generally available to the public and that provide more than one level of verification.*

Sec. 30. Minnesota Statutes 1990, section 300.23, is amended to read:

300.23 [VOTING, HOW REGULATED.]

Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member is entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held in an individual, corporate, or representative capacity. No stock may be voted on at an election within 20 days after its transfer on the books of the corporation. *In the case of a banking corporation, the commissioner of commerce may waive the 20-day limitation.*

Sec. 31. Minnesota Statutes 1990, section 300.52, subdivision 1, is amended to read:

Subdivision 1. [PRIOR NOTICE.] The first meeting of a corporation, except as otherwise prescribed in its certificate of incorporation *or in the case of a banking corporation as waived in writing by the commissioner of commerce*, must be called upon not less than three weeks' prior personal or published notice. The notice must be signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose of the meeting. Unless otherwise provided in the certificate of incorporation or corporate bylaws, an annual meeting must be called and held at its principal place of business upon three weeks' published notice, signed by its secretary. No business transacted at an annual meeting not called and held as required by this subdivision is effective. The manner of calling and holding all meetings may be prescribed by its bylaws.

Sec. 32. Minnesota Statutes 1990, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) "*Qualified organizations*" designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5, are repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 4, 5, 16, 24, and 32 are effective the day following final enactment. If the effective date of section 24 is after the commissioner of commerce has made the announcement and publication required to be made on or before April 30 of each year under Minnesota Statutes, section 56.131, subdivision 4, the commissioner shall, if necessary, revise the announcement and publication to conform with section 24.

ARTICLE 2

CREDIT UNIONS

Section 1. Minnesota Statutes 1990, section 41B.19, subdivision 6, is amended to read:

Subd. 6. [INVESTMENT OF SECURITY ACCOUNT.] (a) Money from time to time on deposit in the security account must be invested by the state board of investment at the request of the authority in any investment authorized by this subdivision. Money on deposit in the security account may be invested in:

(1) certificates of deposit or share certificates issued by or interest-bearing time deposits with a credit union, national banking association, or a bank and trust company organized under the laws of any state;

(2) deposits secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for those deposits;

(3) qualified agricultural loans or in participation interests in qualified agricultural loans; or

(4) qualified restructured loans.

(b) The principal amount of the investment under paragraph (a), clause (1), must be fully insured by an agency of the federal ~~Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation~~ government; or if not fully insured, the institution issuing the certificate of deposit or accepting the time deposit must be rated in the AA or a higher category

as defined by a nationally recognized bond rating agency or in an equivalent or higher rating category based on any later redefinition.

(c) If and to the extent money has been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the authority, or to transfer money to a debt service reserve fund established in connection with the bonds, the authority shall transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the authority's obligation to transfer money to the security account is limited to money then on hand in funds or accounts of the authority in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the authority and to pay the costs of issuing, carrying, administering, and securing the bonds of the authority and of administering and implementing the programs of the authority financed by the bonds.

Sec. 2. Minnesota Statutes 1990, section 47.58, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Reverse mortgage loan" means a loan:

(1) Made to a borrower wherein the committed principal amount is paid to the borrower in equal or unequal installments over a period of months or years, interest is assessed, and authorized closing costs are incurred as specified in the loan agreement;

(2) Which is secured by a mortgage on residential property owned solely by the borrower; and

(3) Which is due when the committed principal amount has been fully paid to the borrower, or upon sale of the property securing the loan, or upon the death of the last surviving borrower, or upon the borrower terminating use of the property as principal residence so as to disqualify the property from the homestead credit given in chapter 290A.

(b) "Lender" means any bank subject to chapter 48, *credit union subject to chapter 52*, savings bank organized and operated pursuant to chapter 50, savings and loan association subject to chapter 51A, or any insurance company as defined in section 60A.02, subdivision 4. "Lender" also includes any federally chartered bank supervised by the comptroller of the currency or federally chartered savings and loan association supervised by the federal home loan bank board or *federally chartered credit union supervised by the National Credit Union Administration*, to the extent permitted by federal law.

(c) "Borrower" includes any natural person holding an interest in severalty or as joint tenant or tenant-in-common in the property securing a reverse mortgage loan.

(d) "Outstanding loan balance" means the current net amount of money owed by the borrower to the lender whether or not that sum is suspended pursuant to the terms of the reverse mortgage loan agreement or is immediately due and payable. The outstanding loan balance is calculated by adding the current totals of the items described in clauses (1) to (5) and subtracting the current totals of the item described in clause (6):

(1) The sum of all payments made by the lender which are necessary to clear the property securing the loan of any outstanding mortgage encumbrance or mechanics or material supplier's lien.

(2) The total disbursements made by the lender to date pursuant to the loan agreement as formulated in accordance with subdivision 3.

(3) All taxes, assessments, insurance premiums and other similar charges paid to date by the lender pursuant to subdivision 6, which charges were not reimbursed by the borrower within 60 days.

(4) All actual closing costs which the borrower has deferred, if a deferral provision is contained in the loan agreement as authorized by subdivision 7.

(5) The total accrued interest to date, as authorized by subdivision 5.

(6) All payments made by the borrower pursuant to subdivision 4.

(e) "Actual closing costs" mean reasonable charges or sums ordinarily paid at the time of closing for the following, whether or not retained by the lender:

(1) Any insurance premiums on policies covering the mortgaged property including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance.

(2) Abstracting, title examination and search, and examination of public records related to the mortgaged property.

(3) The preparation and recording of any or all documents required by law or custom for closing a reverse mortgage loan agreement.

(4) Appraisal and survey of real property securing a reverse mortgage loan.

(5) A single service charge, which service charge shall include any consideration, not otherwise specified in this section as an "actual closing cost," paid by the borrower to the lender for or in relation to the acquisition, making, refinancing or modification of a reverse mortgage loan, and shall also include any consideration received by the lender for making a commitment for a reverse mortgage loan, whether or not an actual loan follows the commitment. The service charge shall not exceed one percent of the bona fide committed principal amount of the reverse mortgage loan.

(6) Charges and fees necessary for or related to the transfer of real property securing a reverse mortgage loan or the closing of a reverse mortgage loan agreement paid by the borrower and received by any party other than the lender.

Sec. 3. Minnesota Statutes 1990, section 48.64, is amended to read:

48.64 [DEPOSITS OF TRUST FUNDS.]

Any person, firm, or corporation appointed by a court of competent jurisdiction as representative of the estate of a deceased person, or as guardian, or any trustee of a firefighters' relief association, or any referee, receiver, or trustee appointed by a court of record in this state, may deposit funds for safekeeping and disbursing, unless otherwise directed by the court, in any bank, *credit union*, or trust company, however organized, the deposits of which are insured, in whole or in part, by *an agency of the federal Deposit Insurance Corporation government*, to the extent that the funds so deposited

are fully insured.

Sec. 4. Minnesota Statutes 1990, section 48.86, is amended to read:

48.86 [TRUST FUNDS; INVESTMENT OF ACCUMULATIONS.]

Any amount not less than \$500 received by any trust company as executor, administrator, guardian, or other trustee, or by order of court, not required for the purposes of such trust, or not to be accounted for within one year, it shall invest as soon as practicable in authorized securities either then held by it or specially procured by it; and the income, less its proper charges, shall become part of the trust estate, and the net accumulations thereon shall be likewise invested, accounted for, and allowed in the settlement of such trust.

Except as may be otherwise provided in the governing will, trust agreement, court order or other instrument, any amount in a trust account may be invested in certificates of deposit, *share certificates*, or savings accounts in any bank or banks or *credit union*, provided that such certificates of deposit, *share certificates*, or savings accounts are fully insured by *an agency of the federal deposit insurance corporation government* and receive the prevailing rate of interest on such certificates or savings accounts.

Sec. 5. Minnesota Statutes 1990, section 50.14, subdivision 13, is amended to read:

Subd. 13. Class twelve shall be (a) bonds and obligations of the Federal Home Loan Banks established by Act of Congress known as the Federal Home Loan Bank Act, approved July 23, 1932, and Acts amendatory thereto, and in bonds and obligations of the Home Owners' Loan Corporation established by Act of Congress known as the Home Owners' Loan Act of 1933, and Acts amendatory thereto.

(b) Certificates of deposits or *share certificates* of any bank, *credit union*, or trust company, however organized, the deposits of which are insured in whole or in part by *an agency of the federal Deposit Insurance Corporation government*, to the extent that such certificates of deposit or *share certificates* are fully insured.

(c) Loans secured by its own passbooks or other evidences of indebtedness.

(d) Shares, accounts, or certificates of any savings, or building and loan association, however organized, the accounts of which are insured in whole or in part by *an agency of the federal savings and loan insurance corporation government*, to the extent that such shares, accounts, or certificates are fully insured.

Sec. 6. Minnesota Statutes 1991 Supplement, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life and accident and health insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118 or section 9.031, *to accept deposits of money from a trust fund or trust account, and to issue share certificates;*

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(ii) allows the seller to repurchase at its discretion; or

(iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share

or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 7. Minnesota Statutes 1990, section 80A.14, subdivision 9, is amended to read:

Subd. 9. [INVESTMENT ADVISER.] "Investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications, writings or electronic means, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. "Investment adviser" does not include:

- (1) a bank, savings institution, *credit union*, or trust company;
- (2) a lawyer, accountant, engineer, or teacher whose performance of these services is solely incidental to the practice of that person's profession;
- (3) a broker-dealer whose performance of these services is solely incidental to the conduct of the business as a broker-dealer and who receives no special compensation for them;
- (4) a publisher of any newspaper, news column, newsletter, news magazine, or business or financial publication or service, whether communicated in hard copy form, or by electronic means, or otherwise, that does not consist of the rendering of advice on the basis of the specific investment situation of each client; or
- (5) other persons not within the intent of this subdivision as the commissioner may by rule or order designate.

Sec. 8. Minnesota Statutes 1990, section 116J.8765, subdivision 4, is amended to read:

Subd. 4. [CONTROL AND INVESTMENT OF RESERVE FUND.] (a) All money credited to the reserve fund is under the exclusive control of the commissioner. The commissioner may not withdraw money from the reserve fund except as specifically provided in this subdivision and sections 116J.8766 and 116J.8768.

(b) Money in the reserve fund must be deposited by the commissioner in an account with the lender unless the commissioner determines that the lender is not in substantial compliance with the requirements of the agreement. If money in the reserve fund is not deposited by the commissioner in an account with the lender, it must be invested or reinvested by the commissioner in (1) direct obligations of the United States or the state of Minnesota or in obligations the principal and interest of which are unconditionally guaranteed by the United States or the state of Minnesota, or (2) a deposit account at a depository institution whose deposits are insured by *an agency of the federal government*. ~~Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~

(c) Interest or income earned on the money credited to the reserve fund is part of the reserve fund. The commissioner may withdraw at any time from the reserve fund 50 percent of all interest or income that has been credited to the reserve fund, except that after the first withdrawal the commissioner may not withdraw more than 50 percent of all interest or income that has been credited to the reserve fund since the time of the last withdrawal. Any withdrawal made under this subdivision may be made prior

to paying any claim. None of the amounts withdrawn need to be transferred back to the reserve fund. Any withdrawal under this subdivision must be credited in the capital access account.

Sec. 9. Minnesota Statutes 1990, section 118.01, subdivision 1, is amended to read:

Subdivision 1. Any bank, trust company or thrift institution authorized to do business in this state may, in lieu of the corporate or personal surety bond required to be furnished to secure deposited funds, deposit with the custodian of the funds as collateral security: (1) certificates of deposit *or share certificates* that are fully insured by *an agency of the federal* ~~Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ *government*; (2) notes secured by first mortgages of future maturity, upon which interest is not past due, on improved real estate free from delinquent taxes, within the county wherein the depository is located, or within counties immediately adjoining the county in the state of Minnesota; (3) obligations which are legally authorized investments for debt service funds under section 475.66, subdivision 3; and (4) qualified state or local government obligations acceptable to the treasurer or chief financial officer. Qualified obligations must be general obligations rated "A" or better by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

Sec. 10. Minnesota Statutes 1990, section 118.10, is amended to read:

118.10 [DEPOSITORIES INSURED UNDER FEDERAL ACT EXCUSED FROM GIVING SECURITY TO EXTENT OF INSURANCE COVERAGE.]

No bank, *credit union*, or trust company authorized to do a ~~banking~~ business in this state, designated as a depository of state, county, town, school district, hospital district, or county sanitarium commission funds, and cities howsoever organized, as provided by law, the deposits of which bank, *credit union*, or trust company are insured in whole or in part ~~under the provisions of the act of Congress of the United States of June 16, 1933, creating by an agency of the federal~~ ~~Deposit Insurance Corporation and the temporary federal deposit insurance fund~~ *government*, shall be required to furnish any corporate or personal surety bond, or deposit any collateral in lieu of bond, to secure such funds, in so far as such funds ~~shall constitute "insured deposit liabilities" of such bank or trust company within the provisions of that act of Congress are insured as provided herein~~. Nothing in this section shall be construed to release any bank or trust company from furnishing surety bond or collateral for all deposits in excess of the insurance afforded by the ~~national banking act~~ *agency of the federal government insuring the deposit*.

Sec. 11. Minnesota Statutes 1990, section 136.31, subdivision 6, is amended to read:

Subd. 6. In any case where the board determines to issue and sell refunding revenue bonds six months or more before the earliest date on which all bonds of the series to be refunded thereby will have matured or will have been redeemed upon call as hereinafter provided, the proceeds of the refunding revenue bonds shall be deposited, together with any revenues available and designated by the board for the purpose, in escrow with a suitable banking institution *or credit union* within or without the state, whose deposits are insured by *an agency of the federal* ~~Deposit Insurance Corporation~~ *government* and whose combined capital and surplus is not less than one

million dollars, and shall be invested, simultaneously with the delivery of the bonds, in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each bond of the series refunded to its maturity or, if prepayable, to an earlier designated date on which it may be called for redemption, and to pay the principal amount of each such bond at maturity or, if prepayable, at its designated earlier redemption date, and to pay any premium required for redemption on such date; and before the refunding revenue bonds are delivered, the board shall by resolution irrevocably appropriate for these purposes, and for the payment of the reasonable charges of banks or credit unions designated as escrow and paying agents, the escrow account and all payments of principal and interest on the securities held therein, and shall provide for the call of all prepayable bonds of such series, in accordance with their terms, on the redemption date or dates designated. The board may place in escrow pursuant to this subdivision any funds previously pledged and appropriated for the payment of principal and interest on bonds to be refunded; and it may, when deemed necessary in the public interest, issue refunding revenue bonds in the amount necessary to place in escrow the funds required to pay any premium for redemption of refunded bonds before their stated maturities. Investments of the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. No refunding revenue bonds shall be issued more than ten years before the last date on which all revenue bonds of the series to be refunded thereby will mature or are directed to be prepaid in accordance with their terms.

Sec. 12. Minnesota Statutes 1990, section 356A.06, subdivision 6, is amended to read:

Subd. 6. [LIMITED LIST OF AUTHORIZED INVESTMENT SECURITIES.] (a) Except to the extent otherwise authorized by law, a covered pension plan may invest its assets only in investment securities authorized by this subdivision if the plan does not:

- (1) have assets with a book value in excess of \$1,000,000;
- (2) use the services of an investment advisor registered with the Securities and Exchange Commission in accordance with the Investment Advisors Act of 1940, or licensed as an investment advisor in accordance with sections 80A.04, subdivision 4, and 80A.14, subdivision 9, for the investment of at least 60 percent of its assets, calculated on book value;
- (3) use the services of the state board of investment for the investment of at least 60 percent of its assets, calculated on book value; or
- (4) use a combination of the services of an investment advisor meeting the requirements of clause (2) and the services of the state board of investment for the investment of at least 75 percent of its assets, calculated on book value.

(b) Investment securities authorized for a pension plan covered by this subdivision are:

- (1) certificates of deposit or share certificates issued, to the extent of available insurance or collateralization, by a financial institution that is a

member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, is insured by the National Credit Union Administration, or is authorized to do business in this state and has deposited with the chief administrative officer of the plan a sufficient amount of marketable securities as collateral in accordance with section 118.01;

(2) savings accounts, to the extent of available insurance, with a financial institution that is ~~a member of the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation~~ insured as provided in clause (1);

(3) governmental obligations, including bonds, notes, bills, or other fixed obligations, issued by the United States, an agency or instrumentality of the United States, an organization established and regulated by an act of Congress or by a state, state agency or instrumentality, municipality, or other governmental or political subdivision that:

(i) for the obligation in question, issues an obligation that equals or exceeds the stated investment yield of debt securities not exempt from federal income taxation and of comparable quality;

(ii) for an obligation that is a revenue bond, has been completely self-supporting for the last five years; and

(iii) for an obligation other than a revenue bond, has issued an obligation backed by the full faith and credit of the applicable taxing jurisdiction and has not been in default on the payment of principal or interest on the obligation in question or any other nonrevenue bond obligation during the preceding ten years;

(4) corporate obligations, including bonds, notes, debentures, or other regularly issued and readily marketable evidences of indebtedness issued by a corporation organized under the laws of any state that during the preceding five years has had on average annual net pretax earnings at least 50 percent greater than the annual interest charges and principal payments on the total issued debt of the corporation during that period and that, for the obligation in question, has issued an obligation rated in one of the top three quality categories by Moody's Investors Service, Incorporated, or Standard and Poor's Corporation; and

(5) shares in an open-end investment company registered under the federal Investment Company Act of 1940, if the portfolio investments of the company are limited to investments that meet the requirements of clauses (1) to (4).

Sec. 13. Minnesota Statutes 1990, section 427.01, is amended to read:
427.01 [DEPOSIT OF PUBLIC FUNDS.]

The council of any statutory city or of any city of the fourth class shall designate as a depository of city funds such national, state, or private banks or credit unions as it may deem proper. Except as to deposits insured by an agency of the federal ~~deposit insurance corporation~~ government or protected by collateral or a corporate surety bond furnished under section 118.01, each shall give bond to the municipality in at least double the amount authorized to be deposited therein, to be approved by the council, conditioned to repay all sums deposited therein upon proper demand therefor or at such time, not exceeding one year, as fixed by the terms of the deposit, and for the performance of such other duties as the council may require. The council shall require the city treasurer to deposit all or any part of the

public funds in hand in such banks or credit unions and to withdraw the same when so directed. All the terms and conditions of deposit shall be set forth in the resolution designating the several depositories, which resolution shall be filed with the clerk or recorder. The treasurer shall not be liable on the treasurer's bond for any money so deposited by direction of the council and lost through the failure, bankruptcy, or other default of the bank or credit union. All interest accruing upon these deposits shall belong to the city.

Sec. 14. Minnesota Statutes 1990, section 446A.11, subdivision 9, is amended to read:

Subd. 9. [INVESTMENTS.] (a) It may cause any money not required for immediate disbursement, including the general reserve account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by an agency of the federal Savings and Loan Insurance Corporation government or to be deposited in a savings or other account in a bank or credit union insured by an agency of the federal deposit insurance corporation government or to be invested in time certificates of deposit or share certificates issued by a bank or credit union insured by an agency of the federal Deposit Insurance Corporation government and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d). It may deposit money in excess of the amount insured with security as provided in chapter 118.

(b) Notwithstanding paragraph (a), it may invest and deposit money into accounts established pursuant to resolutions or indentures securing its bonds or notes in investments and deposit accounts or certificates, and with security, agreed upon with the holders or a trustee for the holders.

Sec. 15. Minnesota Statutes 1990, section 475.67, subdivision 5, is amended to read:

Subd. 5. The proceeds of the refunding obligations, less any accrued interest or premium thereon required to be taken into account for purposes of meeting the debt service savings test set forth in subdivision 12 or otherwise deposited in the debt service fund established for the refunding obligations, less any amount set aside to pay the expenses of the refunding described in subdivision 12, shall be deposited, together with any other funds available and appropriated by the governing body for the purpose, in escrow with a suitable banking institution or credit union within or without the state, whose deposits are insured by an agency of the federal Deposit Insurance Corporation government, and whose combined capital and surplus is not less than \$500,000.

ARTICLE 3

DETACHED BANKING FACILITIES

Section 1. [CITY OF DULUTH; DETACHED BANKING FACILITIES.]

With the prior approval of the commissioner of commerce, a bank with its principal office in the city of Duluth may establish and maintain three detached facilities located within the city of Duluth, in addition to the detached facilities authorized by Minnesota Statutes, section 47.52, paragraph (a). A bank desiring to establish a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The

establishment of a detached facility pursuant to this section is subject to the provisions of Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 2. [CITY OF MILLVILLE; DETACHED FACILITIES.]

The limitation contained in Minnesota Statutes, section 47.52, on the number of detached facilities that may be established and maintained by a bank does not apply to any detached facilities located in the city of Millville.

Sec. 3. [CITY OF DOVER; DETACHED FACILITIES.]

The limitation contained in Minnesota Statutes, section 47.52, on the number of detached facilities that may be established and maintained by a bank does not apply to any detached facilities located in the city of Dover.

Sec. 4. [TOWN OF NEW SCANDIA; DETACHED BANKING FACILITIES.]

With the prior approval of the commissioner of commerce, a bank operating its main office within ten miles of the town of New Scandia may establish and maintain not more than one detached facility in the town of New Scandia. A bank desiring to establish a detached facility must follow the approval procedure prescribed in Minnesota Statutes, section 47.54. The establishment of a detached facility pursuant to this section is subject to the provisions of Minnesota Statutes, sections 47.51 to 47.57, except to the extent those sections are inconsistent with this section.

Sec. 5. [LOCAL APPROVAL.]

Section 2 takes effect the day after compliance by the governing body of the city of Millville with Minnesota Statutes, section 645.021, subdivision 3.

Section 3 takes effect the day after compliance by the governing body of the city of Dover with Minnesota Statutes, section 645.021, subdivision 3.

Section 4 takes effect the day after compliance by the town board of the town of New Scandia with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 4

REAL ESTATE APPRAISERS

Section 1. Minnesota Statutes 1991 Supplement, section 82B.11, subdivision 3, is amended to read:

Subd. 3. [FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] A federal residential real property appraiser may appraise noncomplex one to four residential units *or agricultural property* having a transaction value less than \$1,000,000 and complex one to four residential units *or agricultural property* having a transaction value less than \$250,000.

Sec. 2. Minnesota Statutes 1991 Supplement, section 82B.11, subdivision 4, is amended to read:

Subd. 4. [CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] A certified federal residential real property appraiser may appraise one to four residential units *or agricultural property* without regard to transaction value or complexity.

Sec. 3. Minnesota Statutes 1990, section 82B.13, as amended by Laws

1991, chapter 97, sections 5, 6, 7, and 17, is amended to read:

82B.13 [~~EXAMINATION~~ EDUCATION PREREQUISITES.]

Subdivision 1. [STATE REAL PROPERTY APPRAISER OR FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] As a prerequisite ~~to taking the examination~~ for licensing as a state real property appraiser or federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 75 classroom hours of courses. The courses must consist of 60 hours of general real estate appraisal principles and 15 hours related to standards of professional appraisal practice and the provisions of this chapter.

Subd. 3. [COMMISSIONER'S APPROVAL; RULES.] The courses and instruction and procedures of courses must be approved by the commissioner. The commissioner may adopt rules to administer this section. These rules must, to the extent practicable, conform to the rules adopted for real estate and insurance education.

Subd. 4. [CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.] As a prerequisite ~~to taking the examination~~ for licensing as a certified federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.

Subd. 5. [CERTIFIED FEDERAL GENERAL REAL PROPERTY APPRAISER.] As a prerequisite ~~to taking the examination~~ for licensing as a certified federal general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of nonresidential properties.

Sec. 4. Minnesota Statutes 1991 Supplement, section 82B.14, is amended to read:

82B.14 [EXPERIENCE REQUIREMENT.]

(a) A license under section 82B.11, subdivision 3, 4, or 5, may not be issued to a person who does not have the equivalent of two years of experience in real property appraisal supported by adequate written reports or file memoranda. ~~This experience, or the equivalent of this experience, must be acquired within a period of five years immediately preceding the filing of the application for licensing.~~

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

Sec. 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 commerce; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; requiring drivers’ licenses to be less susceptible to alteration; regulating investments in share certificates; authorizing credit unions to make reverse mortgage loans; regulating credit unions as depositories of various funds; authorizing the establishment of additional detached facilities in the cities of Duluth, Dover, Millville, and New Scandia; modifying real estate appraiser requirements; amending Minnesota Statutes 1990, sections 41B.19, subdivision 6; 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.07, subdivision 2; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.54; 47.55; 47.58, subdivision 1; 48.02; 48.64; 48.86; 48.89, subdivision 5; 49.34, subdivision 2; 50.14, subdivision 13; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 53.09, subdivision 2; 56.04; 56.07; 56.12; 56.131, subdivision 4; 61A.09, subdivision 3; 62B.02, by adding a subdivision; 62B.04, subdivisions 1 and 2; 80A.14, subdivision 9; 82B.13, as amended; 116J.8765, subdivision 4; 118.01, subdivision 1; 118.10; 136.31, subdivision 6; 171.07, by adding a subdivision; 300.23; 300.52, subdivision 1; 332.13, subdivision 2; 356A.06, subdivision 6; 427.01; 446A.11, subdivision 9; 475.67, subdivision 5; Minnesota Statutes 1991 Supplement, sections 48.512, subdivision 4; 52.04, subdivision 1; 82B.11, subdivisions 3 and 4; and 82B.14; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.”

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

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

S.F. No. 1921: A bill for an act relating to drivers’ licenses; increasing fees; amending Minnesota Statutes 1990, section 171.06, subdivisions 2 and 4.

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

Page 1, line 11, delete “C-\$17” and insert “C-\$16” and delete “CC-\$21” and insert “CC-\$20” and delete “B-\$28” and insert “B-\$27” and delete “A-\$36” and insert “A-\$35”

Page 1, line 13, delete “C-\$17” and insert “C-\$16” and delete “CC-\$21” and insert “CC-\$20” and delete “B-\$28” and insert “B-\$27” and delete “A-\$16” and insert “A-\$15”

Page 1, line 15, delete “\$ 8” and insert “\$ 7”

Page 1, line 17, delete “\$ 6.50” and insert “\$ 5.50”

Page 1, line 21, delete “\$11” and insert “\$10”

Page 2, line 4, strike “all”

Page 2, lines 7 and 22, delete “\$3” and insert “\$2”

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

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

S.F. No. 1784: A bill for an act relating to motor vehicles; adding vehicles to classic car category for vehicle registration purposes; amending Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b.

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

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

S.F. No. 1668: A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, section 204B.45, subdivisions 1 and 2.

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

Page 2, after line 6, insert:

“Sec. 3. Minnesota Statutes 1990, section 365.51, subdivision 1, is amended to read:

Subdivision 1. [WHEN; BAD WEATHER.] A town's annual town meeting must be held on the second Tuesday of March at the place named by the last annual town meeting. If no place was named then, the meeting must be held at the place named by the town board. The place may be outside the town if the place is within five miles of a town boundary. If there is bad weather on the day of the meeting and election, the town board shall set the meeting and election for the third Tuesday in March. *No later than ten days prior to the annual meeting and election, the town board shall, by resolution, direct the clerk to give notice that in case of bad weather the meeting and election will be held on the third Tuesday in March.* If there is bad weather on the third Tuesday in March, the town board shall set another date for the meeting and election within 30 days of the third Tuesday in March. If the meeting and election are postponed, the notice requirements in subdivision 2 shall apply to the postponed meeting and election.

The balloting of the town election must be concluded on the same day the election is commenced.”

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “requiring notice of a change of date of annual town meetings due to bad weather;”

Page 1, line 4, delete “section” and insert “sections”

Page 1, line 5, before the period, insert “; and 365.51, subdivision 1”

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2444: A bill for an act relating to local government; city of Hutchinson; providing for the adoption by the city of a special service district.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1376: A bill for an act relating to the city of Hibbing; providing for the size of the public utilities commission; providing for its compensation; amending Laws 1949, chapter 422, section 2, as amended.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 1755: A bill for an act relating to local government; allowing the city of White Bear Lake to purchase the Manitou Ridge Golf Course from Ramsey county; amending Minnesota Statutes 1990, section 383A.07, by adding a subdivision.

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

Page 1, delete lines 9 to 24 and insert:

"Subd. 30. [COMPENSATION FOR IMPROVEMENTS TO MANITOU RIDGE GOLF COURSE.] The city of White Bear Lake shall be compensated for improvements made to the Manitou Ridge golf course. The compensation shall be paid to the city of White Bear Lake by Ramsey county in one lump sum payment of \$813,528."

Page 2, delete lines 1 to 3 and insert:

"This act is effective January 1, 1993."

Amend the title as follows:

Page 1, line 2, delete "allowing" and insert "compensating"

Page 1, line 3, delete "to purchase" and insert "by Ramsey county for improvements made to"

Page 1, line 4, delete "from Ramsey county"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2630: A bill for an act relating to counties; providing for financing of acquisition, construction, equipping, and improvement of correctional facilities; authorizing certain leasing agreements; authorizing the sale of bonds; providing for tax levies; establishing a correctional facilities fund;

amending Minnesota Statutes 1990, sections 401.02, subdivision 3; 401.05; 469.153, subdivision 2; and 641.24.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

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

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

S.F. No. 1693: A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

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

Page 15, line 10, delete "*or the person who would*"

Page 15, line 11, delete everything before "*may*"

Page 15, line 18, after "*state*" insert "*plus attorney fees*"

Page 15, line 19, delete "*consented to or*"

Page 15, line 25, delete "*or 5*"

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. 2338: A bill for an act relating to commerce; imposing health regulations for tanning facilities; requiring licenses; providing exemptions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

“REGULATION OF TANNING FACILITIES

Section 1. [461.16] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] *The definitions in this section apply to sections 1 to 11.*

Subd. 2. [CONSUMER.] *“Consumer” means any individual who is provided access to a tanning facility as defined in subdivision 8.*

Subd. 3. [INDIVIDUAL.] *“Individual” means any human being.*

Subd. 4. [LOCAL GOVERNMENT UNIT.] *“Local government unit” means a city, town, or county.*

Subd. 5. [OPERATOR.] *“Operator” means any individual designated by the tanning facility owner or tanning equipment lessee to operate or to assist and instruct the consumer in the operation and use of the tanning facility or tanning equipment.*

Subd. 6. [PERSON.] *“Person” means any individual, corporation, partnership, firm, association, trust, estate, public or private institution, group, agency, political subdivision of this state, any other state, or political subdivision or agency thereof, and any legal successor, representative, agent, or agency of these entities.*

Subd. 7. [TANNING EQUIPMENT.] *“Tanning equipment” means ultraviolet or other lamps and equipment containing such lamps intended to induce skin tanning through the irradiation of any part of the living human body with ultraviolet radiation.*

Subd. 8. [TANNING FACILITY.] *“Tanning facility” means any location, place, area, structure, or business or a part thereof which provides consumers access to tanning equipment. Tanning facility includes, but is not limited to, tanning salons, health clubs, apartments, or condominiums regardless of whether a fee is charged for access to the tanning equipment.*

Subd. 9. [ULTRAVIOLET RADIATION.] *“Ultraviolet radiation” means electromagnetic radiation with wavelengths in air between 200 nanometers and 400 nanometers.*

Sec. 2. [461.17] [REGULATIONS; APPLICABILITY; EXEMPTIONS.]

Subdivision 1. [REGULATIONS; APPLICABILITY.] *Each tanning facility in this state shall be constructed, operated, and maintained according to sections 1 to 11.*

Subd. 2. [EXEMPTIONS.] *Sections 1 to 11 do not apply to:*

(a) *a person who:*

(1) *uses equipment which emits ultraviolet radiation incidental to its normal operation; and*

(2) *does not use the equipment described in clause (1) to deliberately expose parts of the living human body to ultraviolet radiation for the purpose of tanning or other treatment;*

(b) *a physician licensed by the board of medical examiners who uses, in the practice of medicine, medical diagnostic and therapeutic equipment that emits ultraviolet radiation; and*

(c) *an individual who owns tanning equipment exclusively for personal, noncommercial use.*

Sec. 3. [461.18] [TANNING FACILITY LICENSING.]

A local government unit may license tanning facilities operating in this state in accordance with sections 1 to 11. A county may not license tanning facilities within a city or town that licenses tanning facilities. A local government unit that licenses tanning facilities may establish fees for licensing and license renewal in an amount sufficient to cover the costs of the local government unit's licensing and inspection duties under this section. The local government may revoke or refuse to renew a license if the licensee is found to have violated sections 1 to 10. No revocation or refusal to renew a license may take effect until the licensee has been given reasonable notice of an alleged violation and has been afforded an opportunity for a hearing before a person authorized by the governing body of the local government unit to conduct the hearing. A decision that a violation has occurred must be in writing and based on the record compiled at the hearing.

Sec. 4. [461.19] [STANDARDS FOR TANNING EQUIPMENT.]

Subdivision 1. [STANDARDS FOR ALL EQUIPMENT.] (a) The tanning facility owner or operator must use only tanning equipment manufactured according to Code of Federal Regulations, title 21, section 1040.20. The exact nature of compliance must be based on the standards in effect at the time of manufacture as shown on the device identification label required by Code of Federal Regulations, title 21, section 1010.3.

(b) Each assembly of tanning equipment must be designated for use by only one consumer at a time and must be equipped with a timer that complies with Code of Federal Regulations, title 21, section 1040.20(c)(2). The maximum timer interval may not exceed the manufacturer's maximum recommended exposure time. No timer interval may have an error exceeding plus or minus ten percent of the maximum timer interval for the product.

(c) Tanning equipment must meet the National Fire Protection Association National Electrical Code and must be provided with ground fault protection on the electrical circuit.

(d) Tanning equipment must include physical barriers to protect consumers from injury induced by touching or breaking the lamps.

(e) The tanning facility owner or operator shall replace defective or burned out lamps, bulbs, or filters with a type intended for use in the affected tanning equipment as specified on the product label and having the same spectral distribution.

(f) The tanning facility owner or operator shall replace ultraviolet lamps and bulbs, which are not otherwise defective or damaged, at a frequency or after a duration of use as may be recommended by the manufacturer of the lamps and bulbs.

(g) The tanning facility owner or operator shall maintain a record of when the bulbs or lamps in each tanning booth or bed were replaced according to paragraphs (e) and (f). The owner or operator shall make this record available to consumers for their viewing.

(h) Tanning equipment must have a control that enables the user to manually terminate radiation without pulling the electrical plug or coming in contact with the ultraviolet lamp.

(i) The tanning facility operator shall instruct each user on: (1) the proper position to maintain relative to the tanning lamps; (2) the position of the

safety railing, where applicable; (3) the manual switching device to terminate radiation; and (4) maximum time of exposure.

(j) The tanning facility operator shall inspect the facility to ensure that the floors are dry before each individual's use.

(k) The tanning facility operator shall monitor the use of the facility to ensure that the interior temperature does not exceed 100 degrees Fahrenheit.

(l) The tanning facility operator shall ensure compliance with sanitizing procedures specified by the manufacturer of the tanning equipment between every user.

Subd. 2. [STANDARDS FOR STAND-UP TANNING BOOTHS.] In addition to the requirements in subdivision 1, tanning booths designed for stand-up use must comply with the following additional requirements:

(1) booths must have physical barriers or other means, such as handrails or floor markings, to indicate the proper exposure distance between ultraviolet lamps and the consumer's skin;

(2) booths must be constructed with sufficient strength and rigidity to withstand the stress of use and the impact of a falling person;

(3) access to booths must be of rigid construction; and

(4) booths must be equipped with handrails and nonslip floors.

Sec. 5. [461.20] [PROTECTIVE GOGGLES REQUIRED.]

(a) The tanning facility owner or operator shall provide protective goggles to each consumer for use during any use of tanning equipment. The protective goggles must meet the requirements of Code of Federal Regulations, title 21, section 1040.20(c)(5).

(b) Tanning facility owners and operators shall ensure that consumers wear the protective goggles required by this section. The tanning facility owner or operator shall ensure that the protective goggles required by this section are properly sanitized before each use and shall not rely upon exposure to the ultraviolet radiation produced by the tanning equipment itself to provide the sanitizing.

Sec. 6. [461.21] [POSTED WARNING REQUIRED.]

(a) The facility owner or operator shall conspicuously post the warning sign described in paragraph (b) within three feet of each tanning station. The sign must be clearly visible, not obstructed by any barrier, equipment, or other object, and must be posted so that it can be easily viewed by the consumer before energizing the tanning equipment.

(b) The warning sign required in paragraph (a) must use upper and lower case letters which are at least two inches and one inch in height, respectively, and must have the following wording:

"DANGER - ULTRAVIOLET RADIATION

-Follow instructions.

-Avoid exposure. As with natural sunlight, exposure can cause eye and skin injury and allergic reactions. Exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT**IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.**

-Medications or cosmetics may increase your sensitivity to the ultra-violet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight.

-If you do not tan in the sun, you are unlikely to tan from the use of this product.

MAXIMUM EXPOSURE AT ANY ONE SESSION**MUST NEVER EXCEED 15 MINUTES.**

According to the research and clinical experience of the American Academy of Dermatology, exposure to ultraviolet light can cause harmful changes in the skin and other organs, including skin cancer, cataracts, impairment of the immune system, premature aging, and photosensitivity."

Sec. 7. [461.22] [NOTICE TO CONSUMER.]

The tanning facility owner or operator shall provide each consumer, prior to initial exposure at the facility, with a copy of the following warning, which shall be signed, witnessed, and dated as indicated in the warning:

"WARNING STATEMENT

This statement must be read and signed by the consumer BEFORE first exposure to ultraviolet radiation for tanning purposes at the below signed facility.

DANGER - ULTRAVIOLET RADIATION WARNING

-Follow instructions.

-Avoid exposure. As with natural sunlight, exposure can cause eye and skin injury and allergic reactions. Repeated exposure may cause premature aging of the skin and skin cancer.

-Wear protective eyewear.

FAILURE TO USE PROTECTIVE EYEWEAR MAY RESULT**IN SEVERE BURNS OR LONG-TERM INJURY TO THE EYES.**

-Medications or cosmetics may increase your sensitivity to the ultra-violet radiation. Consult a physician before using sunlamp or tanning equipment if you are using medications or have a history of skin problems or believe yourself to be especially sensitive to sunlight.

-If you do not tan in the sun, you are unlikely to tan from the use of this product.

MAXIMUM EXPOSURE AT ANY ONE SESSION MUST**NEVER EXCEED 15 MINUTES.**

According to the research and clinical experience of the American Academy of Dermatology, excessive or improper exposure to ultraviolet light can cause harmful changes in the skin and other organs, including skin cancer, cataracts, impairment of the immune system, premature aging, and photosensitivity.

WARNING

The radiation produced by this device causes premature wrinkling and excessive aging of the skin and may hasten the development of skin cancer or internal cancer and may cause permanent eye damage.

I have read the above warning and understand what it means before undertaking any tanning equipment exposure.

.....
*Signature of Operator of
Tanning Facility or Equipment*

.....
Signature of Consumer

.....
Print Name of Consumer

.....
Date

OR

The consumer is illiterate and/or visually impaired and I have read the warning statement aloud and in full to the consumer in the presence of the below signed witness.

.....
*Signature of Operator of
Tanning Facility or Equipment*

.....
Witness

.....
Date'

Sec. 8. [461.23] [RECORDS AND REPORTS REQUIRED.]

(a) The tanning facility owner or operator shall maintain a record of each consumer's total number of tanning visits at the facility, and the dates and durations of tanning exposures for a period of three years after exposure.

(b) The tanning facility owner or operator shall compile a written report of actual or alleged injury from use of tanning equipment and complaints about the tanning facility within five working days after the injury occurs or after the owner or operator receives notice of the injury or complaint, whichever is sooner. The report shall be maintained for a period of not less than three years and shall be available for inspection and copying by any consumer. The report must include:

- (1) the name of the affected individual;*
- (2) the name and location of the tanning facility and identification of the specific tanning equipment involved;*
- (3) the nature of the actual or alleged injury; and*
- (4) any other information relevant to the actual or alleged injury to include the date and duration of exposure.*

(c) Within two days after compiling a report under paragraph (b), the tanning facility owner or operator must submit the report to the commissioner of health. The commissioner shall keep a record of all reports and other complaints received.

Sec. 9. [461.24] [PROHIBITED USE; CONSENT REQUIRED.]

Subdivision 1. [PROHIBITION.] The tanning facility owner or operator shall not allow anyone under the age of 16 to use tanning equipment.

Subd. 2. [CONSENT REQUIRED.] Before allowing the initial exposure at a tanning facility of a person under the age of 18, the owner or operator

shall witness the person's parent's or legal guardian's signing and dating of the warning statement required under section 7.

Sec. 10. [461.25] [PENALTIES AND DAMAGES FOR VIOLATIONS.]

Subdivision 1. [CRIMINAL PENALTY.] Any person who leases tanning equipment or who owns a tanning facility and who operates or permits the equipment or facility to be operated in noncompliance with the requirements of sections 1 to 10 is guilty of a misdemeanor.

Subd. 2. [CIVIL PENALTIES.] In addition to any other rights or remedies otherwise provided to consumers by law, any consumer who is damaged by any violation of sections 1 to 10 may bring a civil action to recover a penalty fee of no less than \$1,000 and to recover any actual, consequential, or punitive damages the court considers appropriate. Any recovery under this subdivision must include attorney fees and court costs.

Sec. 11. [461.26] [LOCAL ORDINANCE AUTHORIZATION.]

Sections 1 to 10 do not preempt a local ordinance which provides for more restrictive regulation of tanning facilities than required in sections 1 to 10."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing the local government units to regulate"

Page 1, line 5, delete "144" and insert "461"

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

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

S.F. No. 2162: A bill for an act relating to natural resources; revising certain laws concerning commercial activities related to wild animals; providing penalties; amending Minnesota Statutes 1990, sections 84.091, subdivision 3; 84.093; 94A.105, subdivisions 1, 2, 3, 4, and by adding a subdivision; 97A.215, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivisions 1, 2, and 3; 97A.475, subdivisions 19, 21, 22, and 24; 97A.505, subdivision 4; 97B.601, subdivision 2; 97B.905, subdivisions 1, 2, 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1990, section 97A.105, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) a second conviction occurs within three years for violations of section 97A.425 that do not involve falsifications or intentional omissions of information required to be recorded, or attempts to conceal unlawful acts within the records; or

(4) the conviction occurs under a license not described in clause (1) or (2) or is for a violation of section 97A.425 not described in clause (3).

(b) Except for big game licenses and as otherwise provided in this section, for one year after the conviction the person may not obtain the kind of license relating to the game and fish law violation.

Sec. 2. Minnesota Statutes 1990, section 97A.425, is amended by adding a subdivision to read:

Subd. 4. [RULES.] The commissioner may adopt rules, not inconsistent with subdivisions 1 to 3, governing record keeping, reporting, and marking of specimens by taxidermists.

Sec. 3. [97A.512] [SALE OF INEDIBLE PORTIONS OF BIG GAME ANIMALS, FURBEARING ANIMALS, AND GAME BIRDS OTHER THAN MIGRATORY WATERFOWL.]

(a) *Except as otherwise provided by the game and fish laws and as restricted in this section, a person may possess, transport, buy, or sell the following inedible portions of lawfully taken or acquired big game animals, furbearing animals, and game birds other than migratory waterfowl: bones, including skulls; sinews; hides; hooves; teeth; claws; and antlers.*

(b) *A person may not buy or sell bear paws, unless attached to the hide, or bear gallbladders.*

Sec. 4. [REPORT.]

The department shall study the effects of section 3 on big game, furbearing animals, game birds other than migratory waterfowl, and law enforcement, and report the findings of the study to the legislature by November 15, 1996."

Delete the title and insert:

"A bill for an act relating to natural resources; expanding circumstances under which game and fish licenses are void for violations of law; allowing possession, transportation, purchase, or sale of certain inedible portions of wild animals; requiring a report; authorizing rules; amending Minnesota Statutes 1990, sections 97A.421, subdivision 1; and 97A.425, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A."

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. 2344: A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections

103F.365, subdivision 1, and by adding a subdivision; 103F.369, subdivision 1; and 103F.371; Minnesota Statutes 1991 Supplement, section 103F.369, 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 103F.361, subdivision 2, is amended to read:

Subd. 2. [LEGISLATIVE INTENT.] It is the intent of sections 103F.361 to 103F.377 to authorize and direct the board and the counties to implement ~~this comprehensive~~ the plan for the Mississippi headwaters area.

Sec. 2. Minnesota Statutes 1990, section 103F.363, subdivision 2, is amended to read:

Subd. 2. [LEECH LAKE INDIAN RESERVATION.] Sections 103F.361 to 103F.377 do not alter or expand the zoning jurisdiction of the counties within the exterior boundaries of the Leech Lake Indian Reservation. The ~~comprehensive plan of the board~~ and the county ordinances adopted pursuant to section 103F.369, subdivision + 4, apply only to areas within the zoning jurisdiction of the counties as provided by law in effect prior to May 20, 1981.

Sec. 3. Minnesota Statutes 1990, section 103F.365, is amended by adding a subdivision to read:

Subd. 4. [PLAN.] "Plan" means the comprehensive land use plan approved by the board and dated July 1, 1992.

Sec. 4. Minnesota Statutes 1990, section 103F.367, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] The board shall annually submit to each county for its approval an estimate of the funds it will need from that county in the next fiscal year to prepare and implement the ~~comprehensive land use~~ plan and otherwise carry out the duties imposed upon it by sections 103F.361 to 103F.377. Each county shall, upon approval of the estimate by its governing body, furnish the necessary funds to the board. The board may apply for, receive, and disburse federal, state, and other grants and donations.

Sec. 5. Minnesota Statutes 1990, section 103F.369, subdivision 1, is amended to read:

Subdivision 1. [~~ADOPTION OF EXISTING PLAN IMPLEMENTATION REQUIRED.~~] The ~~comprehensive land use plan prepared by the board and approved by resolution adopted on February 12, 1981, is the comprehensive land use plan authorized by section 103F.367, subdivision +, and shall be implemented by the board as provided in this section and section 103F.373.~~

Sec. 6. Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2, is amended to read:

Subd. 2. [PLAN PROVIDES MINIMUM STANDARDS.] The standards set forth in the plan are the minimum standards which may be adopted by the board and by the counties for the protection and enhancement of the natural, scientific, historical, recreational and cultural values of the Mississippi River and related shoreland areas subject to the plan. Except for

forest management, fish and wildlife habitat improvement, a veterans cemetery that complies with subdivision 5, and open space recreational uses as defined in the plan, state or county lands within the boundaries established by the plan may not be offered for public sale or lease. The board with the agreement, expressed by resolution adopted after public hearing, of the county boards of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison counties may amend the plan in any way that does not reduce the minimum standards set forth in the plan approved on February 12, 1981.

Sec. 7. Minnesota Statutes 1990, section 103F.369, subdivision 4, is amended to read:

Subd. 4. [COUNTY LAND USE ORDINANCE MUST BE CONSISTENT WITH PLAN.] The counties shall adopt land use ordinances consistent with the ~~comprehensive land use plan of the board.~~

Sec. 8. Minnesota Statutes 1990, section 103F.371, is amended to read:

103F.371 [RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.]

All local and special governmental units, councils, commissions, boards and districts and all state agencies and departments must exercise their powers so as to further the purposes of sections 103F.361 to 103F.377 and the ~~land use plan adopted by the board on February 12, 1981.~~ *The board shall determine whether actions comply with this section.* Land owned by the state, its agencies, and political subdivisions shall be administered in accordance with the ~~land use plan adopted by the board on February 12, 1981.~~

Sec. 9. Minnesota Statutes 1990, section 103F.373, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] To assure that the ~~comprehensive land use plan prepared by the board~~ is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:

- (1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;
- (2) the granting of a variance from provisions of the land use ordinance; and
- (3) the approval of a plat which is inconsistent with the land use ordinance.

Sec. 10. Minnesota Statutes 1990, section 103F.373, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] Notwithstanding any provision of chapter 394 to the contrary, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and certified that it is consistent with the ~~comprehensive plan of the board.~~ In determining consistency of ordinances and ordinance amendments, the provisions of the ~~comprehensive land use plan~~ shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), that is reviewed by the board under this section in the same manner as provided for review of a decision of a board of adjustment

in section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed.

Sec. 11. Minnesota Statutes 1990, section 103F.375, subdivision 1, is amended to read:

Subdivision 1. [MORATORIUM ON CERTAIN ACTIVITIES.] If land subject to the ~~comprehensive land use plan of the board~~ is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on:

(1) all subdivision platting and building permits on the land until zoning regulations are adopted for the land that comply with the provisions of the ~~comprehensive plan of the board~~; and

(2) construction, grading and filling, and vegetative cutting as those activities are defined in the ~~comprehensive plan~~.

Sec. 12. Minnesota Statutes 1990, section 103F.377, is amended to read:

103F.377 [BIENNIAL REPORT.]

During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 103F.361 to 103F.377. The report must include an assessment of the effectiveness of the ~~board's comprehensive land use plan~~ and its implementation in protecting and enhancing the natural, scientific, historical, recreational, and cultural values of the Mississippi River and related shorelands situated within the member counties.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective upon approval by the governing bodies of the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison, and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota Statutes 1990, sections 103F.361, subdivision 2; 103F.363, subdivision 2; 103F.365, by adding a subdivision; 103F.367, subdivision 6; 103F.369, subdivisions 1 and 4; 103F.371; 103F.373, subdivisions 1 and 2; 103F.375, subdivision 1; and 103F.377; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2."

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

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

S.F. No. 2301: A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, 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 103F.505, is amended to read:

103F.505 [PURPOSE AND POLICY.]

It is the purpose of sections 103F.505 to 103F.531 to keep certain marginal agricultural land out of crop production to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodible land, particularly land adjacent to public waters ~~and~~, drainage systems, wetlands, and locally designated priority waters, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1990, section 103F.511, is amended by adding a subdivision to read:

Subd. 8a. [RIPARIAN LAND.] “Riparian land” means lands adjacent to public waters, drainage systems, wetlands, or locally designated priority waters identified in a comprehensive local water plan, as defined in section 103B.3363, subdivision 3.

Sec. 3. Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land meets the requirements of paragraphs (b) and (c).

(b) Land is eligible if the land:

(1) is marginal agricultural land;

(2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description;

(3) consists of a drained wetland;

(4) is land that with a windbreak would be beneficial to resource protection;

(5) is land in a sensitive groundwater area;

(6) is ~~cropland adjacent to public waters~~ riparian land;

(7) is cropland or noncropland adjacent to restored wetlands to the extent of up to four acres of cropland or one acre of noncropland for each acre of wetland restored;

(8) is a woodlot on agricultural land;

(9) is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; or

(10) is land on a hillside used for pasture.

(c) Eligible land under paragraph (a) must:

(1) ~~have been owned by the landowner on January 1, 1985,~~ or be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;

(2) be at least five acres in size, except for a windbreak, woodlot, or

abandoned building site, or be a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(3) not be set aside, enrolled or diverted under another federal or state government program; and

(4) have been in agricultural crop production for at least two of the last five years before the date of application during the period 1981 to 1985 except drained wetlands, riparian lands, woodlots, abandoned building sites, or land on a hillside used for pasture.

(d) The enrolled land of a landowner may not exceed 20 percent of the average farm size in the county where the land is being enrolled according to the average farm size determined by the United States Department of Agriculture, Census of Agriculture.

(e) In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985.

(f) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 103F.505."

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

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

S.F. No. 1635: A bill for an act relating to education; requiring the higher education coordinating board to prorate state grants by the number of credits taken; amending Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6.

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

Page 1, delete lines 18 to 21 and insert:

"(b) For the purpose of paragraph (a), clause (2), a private, two-year, residential, exclusively liberal arts degree-granting institution shall have its allowance for tuition and fees determined in the same manner as four-year private institutions."

Page 1, line 22, strike "students" and insert "*a student*"

Page 1, line 23, before the period, insert "*to the actual number of credits for which the student is enrolled*"

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. 2319: A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242,

subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

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

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

S.F. No. 2173: A bill for an act relating to cemeteries; providing for additional care fund charges in the sale of certain cemetery lots; amending Minnesota Statutes 1990, section 306.15.

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

Page 2, line 9, strike "of not more than \$15"

Page 2, line 10, strike "and" and insert ". A cemetery that has a permanent care and improvement fund may also require a fund payment as provided by section 306.78. For the purpose of this section, the term "proceeds" as used in section 306.78 means the difference between the price originally paid to the cemetery for the lot or space being transferred and the cemetery's current list price for a similar lot or space. Transfer or sale to a spouse, parent, grandparent, child, or sibling of the seller or transferor would not be subject to the care fund payment required by this section. After the transfer and service charge and care fund payment, if any, has been paid to the cemetery."

Page 2, lines 11 to 18, delete the new language

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1725: A bill for an act relating to public investments; providing that certain debt is not approved for investment; amending Minnesota Statutes 1990, section 473.666.

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 11A.24, is amended by adding a subdivision to read:

Subd. 6a. [AIR CARRIERS.] Before January 1, 1998, the board may not invest in any debt or equity securities of a corporation or other enterprise engaged in carrying passengers or freight by air if the corporate stock of the corporation is not publicly traded."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "is" and insert "or equity securities are"

Page 1, line 4, delete "section" and insert "sections 11A.24, by adding a subdivision; and"

And when so amended the bill do pass. Mr. Solon questioned the reference thereon and, under Rule 35, 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. 1986: A bill for an act relating to disabled persons; reducing fee for Minnesota identification card for physically disabled person; amending Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3.

Reports the same back with the recommendation that the bill do pass. Mr. Mehrkens questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1899: A bill for an act relating to human services; requiring grants for demonstration programs to promote the self-sufficiency of public assistance recipients; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2117: A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

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. 1706: A bill for an act relating to education; allowing perennial migrant workers resident tuition status; amending Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7, is amended to read:

Subd. 7. [RESIDENCY RESTRICTIONS.] In calculating student enrollment for appropriations, only the following may be included:

(1) students who resided in the state for at least one calendar year prior to applying for admission;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere; ~~and~~

(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement;

(4) students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers; and

(5) students recognized as refugees by the United States Immigration and Naturalization Service.

If a public post-secondary institution counts a student for appropriations under clause (4) or (5), it may only charge the student resident tuition rates."

Amend the title as follows:

Page 1, line 2, delete "perennial" and insert "certain"

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. 1888: A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided in a hospital swing bed to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 2.

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

Page 2, lines 1 to 6, delete the new language and insert "*Medical assistance also covers up to ten days of nursing care provided to a patient in a swing bed if: (1) the patient's physician certifies that the patient has a terminal illness or condition that is likely to result in death within 30 days and that moving the patient would not be in the best interests of the patient and patient's family; (2) no open nursing home beds are available within 25 miles of the facility; and (3) no open beds are available in any Medicare hospice program within 50 miles of the facility.*"

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. 2475: A bill for an act relating to commerce; changing the penalty for selling tobacco to a child; adding a penalty for the purchase of or an attempt to purchase tobacco by a child; amending Minnesota Statutes 1990, section 609.685, subdivisions 1a and 3.

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

Page 1, delete section 1

Page 1, line 21, after the period, insert "*This subdivision does not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a*

responsible adult for training, education, research, or enforcement purposes."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "adding"

Page 1, delete line 6 and insert "subdivision 3."

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

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

S.F. No. 2572: A bill for an act relating to agriculture; requiring labels for packaged wild rice offered for wholesale or retail sale in Minnesota to customers or consumers in Minnesota to include the place of origin and the method of harvesting; eliminating annual reporting requirements and modifying record keeping requirements; amending Minnesota Statutes 1990, section 30.49, subdivisions 1, 2, 3, and by adding subdivisions.

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

Page 1, line 16, delete the new language

Page 1, line 27, strike "may" and insert "must"

Page 2, lines 13 and 14, delete "*to consumers or customers in this state*"

Page 2, line 24, delete "*to consumers or customers in this state*"

Page 4, after line 23, insert:

"Sec. 7. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 8. [EXCEPTION.] This section does not apply to cultivated or natural lake or river wild rice sold at wholesale or retail outside this state."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "limiting labeling requirements to sales in Minnesota;"

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

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

S.F. No. 878: A bill for an act relating to drivers' licenses; authorizing a showing of probable cause before cancellation of a driver's license for a seizure-related condition; amending Minnesota Statutes 1990, section 171.14.

Reports the 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 171.14, is amended to read:
171.14 [CANCELLATION.]

The commissioner shall have authority to cancel any driver's license upon determination that the licensee was not entitled to the issuance thereof hereunder, or that the licensee failed to give the required or correct information in the application, or committed any fraud or deceit in making such application. The commissioner may also cancel the driver's license of any person who, at the time of the cancellation, would not have been entitled to receive a license under the provisions of section 171.04.

By February 1, 1993, the commissioner shall report to the transportation committees of the senate and house of representatives on the amended rules relating to driver's license requirements for persons with diabetes. The report shall include:

- (1) an explanation of the due process procedures in the rule;*
- (2) the circumstances under which cancellation may occur;*
- (3) the number of drivers canceled under the rules and the circumstances under which cancellation occurred;*
- (4) a comparison of the number of drivers canceled under previous rules and under the amended rules; and*
- (5) any other information the commissioner deems relevant.”*

Amend the title as follows:

Page 1, line 2, delete “authorizing a showing” and insert “requiring a report on driver's license rules for persons with diabetes;”

Page 1, delete line 3

Page 1, line 4, delete everything before “amending”

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. 2231: A bill for an act relating to natural resources; requiring establishment of aquatic management areas; amending Minnesota Statutes 1990, section 86A.05, by adding a subdivision.

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

Page 1, line 9, delete “*shall*” and insert “*may*”

Page 1, line 10, delete “*wetlands,*” and after “*adjacent*” insert “*wetlands and*”

Page 1, line 20, after “*habitat;*” insert “*or*”

Page 1, delete lines 21 and 22

Page 1, line 23, delete “(6)” and insert “(5)”

Page 2, line 6, delete the comma

Page 2, line 7, after "access" insert "to aquatic management areas"

Page 2, line 9, delete "shall minimize"

Page 2, line 10, delete "any" and after "environment" insert "must be minimized"

Page 2, after line 10, insert:

"Sec. 2. Minnesota Statutes 1990, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. [MASTER PLAN REQUIRED.] No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of trade and economic development and the commissioner of trade and economic development has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not have resident managers, for water access sites, for aquatic management areas, or for rest areas."

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections" and before the period, insert "and 86A.09, subdivision 1"

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

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

S.F. No. 2298: A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; eliminating the requirement that metropolitan counties must appoint watershed district managers from lists of nominees submitted by towns and municipalities; making local governments subject to watershed district permit fees; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.345, subdivision 3; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

Reports the 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 103D.311, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] (a) At least 30 days before the terms of office of the first managers named by the board expire, the county commissioners of each county affected by responsible for appointing a manager to the watershed district must meet and appoint successors.

(b) The county commissioners must meet at least 30 days before the term of office of any manager expires and appoint a successor.

(c) A vacancy occurring in an office of a manager must be filled by the appointing county board.

(d) Appointing county boards shall provide public notice before making appointments. Published notice must be given at least once by publication in a newspaper of general circulation in the watershed district at least 15 days before an appointment or reappointment is made. The notice must state that persons interested in being appointed to serve as a watershed district manager may submit their names to the county board for consideration.

Sec. 2. Minnesota Statutes 1990, section 103D.311, subdivision 3, is amended to read:

Subd. 3. [NOMINEES FOR CITY INITIATED AND METROPOLITAN WATERSHED DISTRICTS.] (a) If the establishment petition that initiated the watershed district originated from a majority of the cities within the watershed district, the county commissioners must appoint the managers from a list of persons nominated by one or more of the townships and municipalities located within the watershed district. If the district is wholly within the metropolitan area, the county commissioners shall appoint the managers from a list of persons nominated jointly or severally by the towns and municipalities within the district. The list must contain at least three nominees for each manager's position to be filled. The list must be submitted to the county boards affected by the watershed district at least 60 days before the manager's term of office expires. *The county commissioners may appoint any managers from towns and municipalities that fail to submit a list of nominees.*

(b) If the list is not submitted 60 days before the managers' terms of office expire, the county commissioners must appoint the managers from eligible persons residing in the watershed district.

(c) Managers of a watershed district entirely within the metropolitan area must be appointed to fairly represent the various hydrologic areas within the watershed district by residence of the manager appointed.

Sec. 3. Minnesota Statutes 1990, section 103D.335, is amended by adding a subdivision to read:

Subd. 24. [EXEMPTION FROM POLITICAL SUBDIVISION PERMIT FEES.] *A watershed district is exempt from fees charged by political subdivisions for permits required for activities conducted under subdivisions 8 to 10.*

Sec. 4. Minnesota Statutes 1990, section 103D.345, subdivision 3, is amended to read:

Subd. 3. [GOVERNMENT AGENCIES EXEMPT.] The fees in subdivisions 1 and 2 may not be charged to the *state or federal government, the state, or a political subdivision.*

Sec. 5. Minnesota Statutes 1990, section 103D.355, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] The managers must have an annual audit completed of the books and accounts of the watershed district. The annual audit may be made by a public accountant or by the state auditor. *The annual audit must be made by a certified public accountant or the state auditor at least once every five years, or when cumulative district revenues or expenditures exceed an amount established by the board in consultation*

with the state auditor.

Sec. 6. Minnesota Statutes 1990, section 103D.535, subdivision 1, is amended to read:

Subdivision 1. [WHAT CAN BE APPEALED.] (a) Any party alone or jointly may appeal to the district court or to the board an order of the managers made in a proceeding *relating to a project* and entered in the watershed district's record that determines:

- (1) the amount of benefits determined;
- (2) the amount of damages allowed;
- (3) the allowance of fees or expenses in any proceedings;
- (4) a matter *in the proceeding* that affects a substantial right; or
- (5) an order of the managers authorizing or refusing to establish a project in whole or in part.

(b) *Actions of the managers that do not relate to projects, including actions related to permits and actions to enforce watershed district rules, are not reviewable under this section.*

Sec. 7. [103D.537] [APPEALS OF RULES, PERMIT DECISIONS, AND ORDERS NOT INVOLVING PROJECTS.]

(a) *Except as provided in section 103D.535, an interested party may appeal a rule, permit decision, or order made by the managers by a declaratory judgment action brought under chapter 555 or by appeal to the board. The decision on appeal must be based on the record made in the proceeding before the managers. An appeal of a permit decision must be filed within 30 days of the managers' decision.*

(b) *By January 1, 1993, the board shall adopt rules governing appeals to the board under paragraph (a). A decision of the board on appeal is subject to judicial review under sections 14.63 to 14.69.*

Sec. 8. Minnesota Statutes 1990, section 103D.545, is amended by adding a subdivision to read:

Subd. 3. [ATTORNEY FEES AND COSTS.] In any civil action arising from or related to a rule, order, or stipulation agreement made or a permit issued or denied by the managers under this chapter, the court may award the prevailing party reasonable attorney fees and costs."

Delete the title and insert:

"A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; modifying requirements for appointing watershed district managers; exempting watershed districts from permit fees charged by political subdivisions; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.335, by adding a subdivision; 103D.345, subdivision 3; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D."

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. 2376: A bill for an act relating to game and fish; management of aquatic vegetation; rules for stamp design contests; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; combining of licenses for private fish hatcheries and fish farms; salmon or trout possession; and muskie size limits; amending Minnesota Statutes 1990, sections 84.091, subdivision 1; 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97C.211; 97C.305, subdivision 1; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, section 84.091, subdivision 2; repealing Minnesota Statutes 1990, section 97C.209.

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

Page 1, line 27, after "*ginseng*" insert "*roots*"

Page 2, after line 3, insert:

"Sec. 3. Minnesota Statutes 1990, section 84.091, subdivision 3, is amended to read:

Subd. 3. [LICENSE FEES.] (a) The fees for the following licenses, to be issued to residents only, are:

- (1) for harvesting wild rice, \$12.50;
- (2) for buying and selling wild *ginseng roots*, \$5;
- (3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and
- (4) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250.

(b) The weight of the wild rice shall be determined in its raw state."

Page 2, line 15, delete "*make*" and insert "*adopt*"

Page 3, line 5, delete "*surface*" and after "*waters*" insert "*of this state*"

Page 3, line 19, delete "*the purpose of*"

Page 3, line 21, after the second comma, insert "*and*"

Page 3, lines 22 and 23, delete "*This facility commercially raises*" and insert "*An aquatic farm may raise*"

Page 3, line 32, reinstate the stricken "*2a*" and delete "*3*"

Page 4, lines 14, 26, and 29, reinstate the stricken language and delete the new language

Pages 4 and 5, delete section 9

Page 5, line 28, delete "*Sections 9 and*" and insert "*Section*" and delete "*are*" and insert "*is*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "vegetation" insert "and ginseng"

Page 1, lines 7 and 8, delete "salmon or trout possession;"

Page 1, line 9, delete "subdivision 1" and insert "subdivisions 1 and 3"

Page 1, lines 11 and 12, delete "97C.305, subdivision 1;"

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

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

S.F. No. 2311: A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, 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 103C.331, is amended by adding a subdivision to read:

Subd. 19. [ADMINISTRATION OF OFFICIAL CONTROLS.] A district may, under a joint powers agreement under section 471.59, accept delegation from a county or city of authority to administer soil and water conservation-related official controls, as defined in section 103B.305, subdivision 7, of the county or city as specified in the agreement. The agreement must include provisions requiring that:

(1) all costs incurred by the district in administering the controls will be reimbursed by the county or city;

(2) the district will provide notice and hearing in the same instances that the county or city would; and

(3) the county or city will provide legal advice and support when requested by the district for administration and enforcement."

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

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

S.F. No. 1978: A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Delete everything after the enacting clause and insert:

"Section 1. [135A.35] [VIOLENCE PREVENTION AND SEXUAL HARASSMENT TRAINING.]

By the beginning of the 1994-1995 academic year, all public post-secondary institutions must and all private post-secondary institutions are requested to have a violence prevention and sexual harassment program. For the purpose of this section, "institution" means an eligible institution as defined in section 136A.101, subdivision 4. All faculty, staff, and students attending half-time or more must participate in the program. For the purpose of this section, "half-time" means enrollment for a minimum of eight credits per quarter or semester, or the equivalent. The higher education coordinating board shall assist the institutions in developing the programs.

Sec. 2. [135A.36] [CAMPUS SAFETY AND SECURITY.]

(a) Each public post-secondary institution must and each private post-secondary institution is requested to establish an escort service on the campus of the institution. For the purpose of this section, "institution" means an eligible institution as defined in section 136A.101, subdivision 4.

(b) The attorney general, in consultation with the higher education coordinating board, shall assist those public and private post-secondary institutions in establishing campus safety and security programs.

Sec. 3. [CURRICULUM AND TRAINING ABOUT VIOLENCE, SEXUAL HARASSMENT, AND ABUSE.]

Subdivision 1. [SURVEY OF RELEVANCY OF INSTRUCTION.] The higher education coordinating board shall conduct a random survey of recent Minnesota graduates of an "eligible institution," focusing on teachers, school district administrators, school district professional support staff, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The survey shall be designed to ascertain whether the instructional programs they completed provided adequate instruction about:

(1) the extent and causes of violence, which includes sexual abuse, physical violence, and neglect;

(2) identification of violence, which includes physical or sexual abuse or neglect or racial/cultural violence; and

(3) culturally responsive approaches to dealing with victims and perpetrators of violence.

For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, section 136A.101, subdivision 4.

Subd. 2. [CURRENT COURSE OFFERINGS.] Each public eligible institution must report, and each private eligible institution is requested to report, to the higher education coordinating board, current course offerings and special programs relating to the issues described in subdivision 1, clauses (1), (2), and (3). At a minimum, the reports must be filed for those departments offering majors for students entering the professions described in subdivision 1.

Subd. 3. [IMPLEMENTATION PLAN.] The higher education coordinating board, in consultation with the boards that license occupations listed in subdivision 1, the governing boards of the University of Minnesota, the technical college, community college, and state university systems, and the

Minnesota private college council shall develop a plan indicating how eligible institutions can strengthen curricula and special programs in the areas described in subdivision 1, clauses (1), (2), and (3). The plan shall consider the results of the random survey required by subdivision 1, and the review of current programs required in subdivision 2.

Subd. 4. [REPORT TO LEGISLATURE.] By February 15, 1993, the higher education coordinating board shall report to the legislature the results of the survey, required by subdivision 1, the review of current programs, required by subdivision 2, and the implementation plan, required by subdivision 3.

Sec. 4. [STAFF DEVELOPMENT USING TECHNOLOGY.]

The departments of education, health, human services, and administration, and the higher education coordinating board shall develop recommendations about improved uses of interactive television and the statewide telecommunications access routing system (STARS) to efficiently and effectively provide staff development for school district licensed and nonlicensed staff and training programs for child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The recommendations shall be reported to the legislature by February 15, 1993.

Sec. 5. [MULTIDISCIPLINARY PROGRAM GRANTS.]

The higher education coordinating board may award grants to "eligible institutions" as defined in Minnesota Statutes, section 136A.101, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence, which includes sexual abuse, physical violence, neglect, and racial/cultural violence;

(2) identification of violence, which includes physical or sexual abuse or neglect or racial/cultural violence; and

(3) culturally responsive approaches to dealing with victims and perpetrators of violence.

The programs shall be multidisciplinary and include teachers, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

Sec. 6. [APPROPRIATIONS.]

The following sums are appropriated from the general fund to the higher education coordinating board for fiscal year 1993 for the purposes indicated:

\$ for the random graduate survey required by section 3, subdivision 1;

\$ for recommendations to strengthen curriculum required by section 3, subdivision 3; and

\$ for multidisciplinary program grants under section 5.

Sec. 7. [APPROPRIATION TO THE ATTORNEY GENERAL.]

For the attorney general to provide assistance in establishing campus safety and security programs, there is appropriated \$ from the general fund to the attorney general for fiscal year 1993."

Delete the title and insert:

"A bill for an act relating to education; requiring faculty, staff, and students in post-secondary institutions to participate in violence prevention and sexual harassment training programs; requiring campus escort services; requiring recommendations from the higher education coordinating board about curricula, based upon a survey of graduates and current course offerings; authorizing grants for multidisciplinary training programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A."

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

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

S.F. No. 1156: A bill for an act relating to education; assuring that each blind student receives an individualized Braille literacy assessment and appropriate educational services resulting from the assessment; establishing standards of proficiency and instruction for Braille literacy; requiring the licensure of teachers of blind students in accord with Braille literacy standards; proposing coding for new law in Minnesota Statutes, chapter 120.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] (a) Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

~~(a)~~ (1) connection with attending regular elementary and secondary school classes;

~~(b)~~ (2) establishment of special classes;

~~(c)~~ (3) at the home or bedside of the child;

~~(d)~~ (4) in other districts;

~~(e)~~ (5) instruction and services by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;

~~(f)~~ (6) in a state residential school or a school department of a state institution approved by the commissioner;

~~(g)~~ (7) in other states;

~~(h)~~ (8) by contracting with public, private or voluntary agencies;

~~(i)~~ (9) for children under age five and their families, programs and services established through collaborative efforts with other agencies;

~~(j)~~ (10) for children under age five and their families, programs in which

handicapped children are served with nonhandicapped children; and

(*) (11) any other method approved by the commissioner.

(b) Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver, or both, present.

(c) The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. The district of residence must inform the parents of the child about the methods of instruction that are available.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, 20 United States Code, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

(1) the results obtained from the assessment required under paragraph (f);

(2) how Braille will be implemented as the primary mode for learning

through integration with other classroom activities;

(3) the date on which Braille instruction will begin;

(4) the length of the period of instruction and the frequency and duration of each instructional session;

(5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and

(6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:

(i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

(ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

(i) Instruction in Braille reading and writing is a service for the purpose of special education and services under section 120.17.

(j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. [REPEALER.]

Minnesota Statutes 1990, section 126.071, subdivisions 2, 3, and 4; and Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1, are repealed."

Delete the title and insert:

"A bill for an act relating to education; assuring that each blind student receives an individualized Braille literacy assessment and appropriate educational services resulting from the assessment; establishing standards of proficiency and instruction for Braille literacy; amending Minnesota Statutes 1990, section 120.17, subdivision 2; repealing Minnesota Statutes 1990, section 126.071, subdivisions 2, 3, and 4; Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1."

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. 2509: A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; amending Minnesota Statutes 1990, sections 41A.09, subdivision 2, and by adding a subdivision; 239.06; 239.75; 239.79; 239.80; 296.01, subdivisions 1, 2, 3, 4, 4a, 4b, 15, 24, and by adding subdivisions; 296.02, subdivisions 1, 2, and 7; Minnesota Statutes 1991 Supplement, section 239.05, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.75, subdivisions 3 and 4; 239.76, as amended; 239.79, subdivisions 1 and 2; 296.01, subdivision 2a; and 325E.09.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 5, lines 28 to 32, delete the new language

Page 8, line 29, delete "petroleum" and insert "gasoline"

Page 9, line 4, delete "or"

Page 9, line 6, delete "and" and insert "or

(iii) a dye to distinguish heating fuel from low sulfur diesel fuel; and"

Page 10, after line 20, insert:

"Subd. 4. [USE OF TERM "PREMIUM".] The term "premium" may be used only to advertise, or to identify a dispenser used to dispense, gasoline with an octane rating of 91 or greater."

Renumber the subdivisions in sequence

Page 15, line 28, delete "a minimum" and insert "an average"

Page 19, line 1, delete "(a)"

Page 19, line 2, strike "or"

Page 19, line 3, before "is" insert ", 239.791, or 239.792"

Page 19, delete lines 4 to 16

Page 26, after line 24, insert:

"Sec. 53. [APPROPRIATION; COMPLEMENT.]

\$693,000 is appropriated from the general fund to the commissioner of the department of public service to be available until June 30, 1993, for octane and oxygenated fuels enforcement. The complement of the department of public service is increased by seven positions."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

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

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

S.F. No. 1822: A bill for an act relating to health; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; modifying provisions dealing with children in need of protection or services and termination of parental rights; amending Minnesota Statutes 1990, sections 144.651, by adding a subdivision; 260.191, subdivision 1; 260.221, by adding a subdivision; and 626.556, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 145A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.125, is amended to

read:

144.125 [TESTS OF INFANTS FOR INBORN METABOLIC ERRORS.]

It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age and (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, to cause to have administered to every infant or child in its care tests for hemoglobinopathy, phenylketonuria, and other inborn errors of metabolism in accordance with rules prescribed by the state commissioner of health. In determining which tests must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the inborn metabolic error, the ability to treat or prevent medical conditions caused by the inborn metabolic error, and the severity of the medical conditions caused by the inborn metabolic error. Testing and the recording and reporting of the results of the tests shall be performed at the times and in the manner prescribed by the commissioner of health. ~~This section does not apply to an infant whose parents object on the grounds that the tests and treatment conflict with their religious tenets and practices.~~ The commissioner shall charge laboratory service fees for conducting the tests of infants for inborn metabolic errors so that the total of fees collected will approximate the costs of conducting the tests. Costs associated with capital expenditures and the development of new procedures may be prorated over a three-year period when calculating the amount of the fees.

Sec. 2. [145A.20] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 3 to 5.

Subd. 2. [LIFE-THREATENING CONDITION.] "Life-threatening condition" means a condition that presents a serious and imminent danger to a child's life.

Subd. 3. [MEDIATOR.] "Mediator" means the children's health care mediator under section 3.

Subd. 4. [PARENT.] "Parent" means a custodial parent or legal guardian.

Subd. 5. [RELIGIOUS OR PHILOSOPHICAL HEALING PRACTICE.] "Religious or philosophical healing practice" means the good faith selection and sole dependence upon spiritual means or prayer or a philosophical system for treatment or care of disease or remedial care of a child as part of an organized religious or philosophical group or community.

Subd. 6. [SERIOUS DISABILITY OR DISFIGUREMENT.] "Serious disability" or "disfigurement" means permanent or protracted loss or impairment of the function of a bodily member or organ or permanent disfigurement.

Sec. 3. [145A.21] [CHILDREN'S HEALTH CARE MEDIATOR.]

Subdivision 1. [CREATION.] The commissioner of health shall designate a children's health care mediator to exercise the powers and duties under sections 3 to 5. The mediator's role is both to facilitate the provision of medical treatment where the life of a child is threatened or a child faces a significant probability of a serious disability or disfigurement and to ensure that latitude for parental choices in the health care of their children is not unnecessarily compromised. The commissioner or the mediator may appoint one or more persons to serve as deputy mediators to perform any of the

functions of the mediator. To the extent possible, the commissioner and the mediator shall use existing resources and personnel within boards of health and existing community health services to implement sections 3 to 5. The mediator shall consult with the state community health services advisory committee in implementing sections 3 to 5.

Subd. 2. [POWERS AND DUTIES.] *The mediator shall:*

(1) regularly meet with designated representatives and other members of a religious or philosophical community affected by this section in order to be familiar with their beliefs and practices;

(2) receive, answer, and investigate reports from parents under section 4;

(3) serve as an intermediary between parents who use religious or philosophical healing practices and traditional medical providers and provide advice and information to parents in cases where traditional medical treatment may be required for their children;

(4) encourage and facilitate the provision of appropriate medical care when emergency medical services are needed;

(5) establish operating principles governing reports, investigations, intervention, and treatment under sections 3 to 5;

(6) provide materials that list or discuss symptoms of life-threatening conditions or a serious disability or disfigurement and the circumstances under which traditional medical treatment may be required;

(7) provide advice and information to traditional medical providers regarding parental and family rights in children's health care cases; and

(8) report physical or sexual abuse or neglect of a child as required under section 626.556.

Subd. 3. [QUALIFICATIONS.] *The mediator must have an understanding of and sensitivity to religious and philosophical healing practices and beliefs. The mediator must be a licensed health care professional with sufficient training to be able to identify and assess a child's symptoms for purposes of sections 3 to 5.*

Subd. 4. [MEDIATOR DATA.] *Data collected and maintained by the mediator are private data on individuals as defined in section 13.02, subdivision 12, and may not be further disclosed to any person unless the disclosure is specifically authorized by law.*

Subd. 5. [IMMUNITY FROM LIABILITY.] *The mediator or a deputy mediator is not liable for any damages resulting from any acts or omissions by that person in performing the duties of the position unless the person acts in a willful and wanton or reckless manner.*

Sec. 4. [145A.22] [REPORTING BY PARENT.]

Subdivision 1. [MEDIATOR CONTACT; ASSESSMENT.] *A parent who uses religious or philosophical healing practices shall contact the mediator if the parent knows or has reason to believe that the child is in a life-threatening condition, faces a significant risk of serious disability or disfigurement, or has been incapacitated for an extended period. A parent who violates this subdivision is guilty of a misdemeanor. The mediator shall assess the child's symptoms to determine if the child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement.*

The mediator shall seek appropriate medical input in making assessments under this section and section 6.

Subd. 2. [POSTASSESSMENT PROCEDURES.] If the mediator determines that the child is not in a life-threatening condition and does not face a significant risk of serious disability or disfigurement, the mediator shall so inform the parents and provide the parents with any other information that may be helpful to the parent's specific situation. If the mediator is unable to make a determination regarding the child's condition, the child's condition must continue to be assessed until it is determined that the condition is or is not life-threatening or the child does or does not face a significant risk of serious disability or disfigurement. If the mediator concludes that the condition is life-threatening or the child faces a significant risk of serious disability or disfigurement, the mediator shall inform the parents and proceed under section 5 for the arrangement of medical treatment.

Sec. 5. [145A.23] [PROVISION OF MEDICAL TREATMENT.]

Subdivision 1. [VOLUNTARY PROVISION OF MEDICAL TREATMENT.] If the parents of a child are willing to seek medical treatment following a determination under section 4, subdivision 2, the mediator shall assist the parents in obtaining treatment for the child as soon as possible.

Subd. 2. [INVOLUNTARY TREATMENT.] If the parents of a child are unwilling to seek medical treatment and the mediator has reason to believe that emergency medical treatment is necessary, the mediator shall inform the parents that the mediator must take action to ensure the arrangement of appropriate medical care. If necessary, the mediator may arrange for emergency transportation and medical services for the child without the parent's consent until a court order can be obtained. If necessary, the mediator shall notify the local welfare agency for the institution of legal proceedings under chapter 260. A person who interferes with the provision of medical treatment ordered by the mediator so that the child suffers harm is not selecting and depending in good faith on spiritual means or prayer for treatment for purposes of sections 609.205 and 609.378.

Subd. 3. [FAMILY INVOLVEMENT IN TREATMENT.] (a) In all cases where medical treatment is provided to a child whose parent relies on religious or philosophical healing practices, the parents and the child have a right to continued involvement in decisions regarding treatment, as long as they are acting in good faith. In making medical treatment decisions, the medical provider shall consider:

(1) the preferences of the parents and the child, if the child has capacity to give informed consent; and

(2) the degree of likelihood that the proposed treatment for the child will be safe and effective and would, with significant probability, be lifesaving or avoid serious disability or disfigurement.

(b) Medical providers shall allow parents to continue to use religious or philosophical healing practices while medical treatment is being provided, as long as the parents are acting in good faith and the healing practice does not interfere with medical treatment.

(c) This subdivision applies to all cases involving the voluntary or involuntary treatment of a child whose parents rely on religious or philosophical healing practices.

Sec. 6. Minnesota Statutes 1990, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. *If the report alleges that a lack of medical care may cause serious and imminent danger to a child because the child's parent or guardian uses a religious or philosophical healing practice, as defined in section 2, in lieu of medical care, the local welfare agency shall immediately notify the children's health care mediator and shall coordinate its investigation with the mediator.* If the report alleges a violation of a criminal statute involving sexual abuse or physical abuse, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or

neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 7. [REPORT TO LEGISLATURE.]

By January 15, 1995, the commissioner of health shall report to the chairs of the committees on judiciary and health and human services of the senate and house of representatives regarding the effectiveness of the children's health care mediator in meeting the goals described in sections 3 to 5 and the powers and duties set forth in section 3."

Delete the title and insert:

"A bill for an act relating to health; removing the religious exemption for infant inborn metabolic tests; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; amending Minnesota Statutes 1990, sections 144.125; and 626.556, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 145A."

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2461: A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06.

Reports the 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 344.03, subdivision 1, is amended to read:

Subdivision 1. [ADJOINING OWNERS.] If all or a part of adjoining Minnesota land is improved and used, and one or both of the owners of the land desires the land to be partly or totally fenced, the land owners or occupants shall build and maintain a partition fence between their lands in equal shares, *except that no landowner or occupant shall be required to pay any share of the construction or maintenance of a partition fence if that landowner or occupant has no need for a fence. If an owner or occupant is exempt from payment of any of the costs of a partition fence because the owner or occupant does not need the fence, but that owner's or occupant's circumstances change to include the need for a partition fence within seven years of completion of the partition fence, either owner or occupant may request the fence viewers to perform a reevaluation and reassignment of shares of the cost of construction and maintenance in accordance with section 344.06. If the landowners or occupants disagree about the need for a fence, it is a controversy under section 344.06.*

Sec. 2. [344.033] [APPEALS.]

Any decision of the fence viewers concerning partition fences may be appealed within 30 days to the district court in the county in which the fence is located. Construction, maintenance, or repair of a fence or payment

of costs is not required until the completion of the appeals process.

Sec. 3. Minnesota Statutes 1990, section 344.06, is amended to read:

344.06 [CONTROVERSY; DECISION BY FENCE VIEWERS.]

If a controversy arises concerning the rights in partition fences of the respective occupants or their obligation to *erect or* maintain the fences, either party may apply to the fence viewers, who, after due notice to the parties, may assign to each a share, *or no share*, in the fence and direct the time within which the fence must be erected or repaired. *If in the fence viewer's opinion an assignment of shares is appropriate the shares shall be assigned in accordance with the need and benefit of each party.* The assignment, *unless appealed*, may be filed for record with the county recorder after which it is binding upon the parties and upon all succeeding occupants of the lands."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for certain actions during the appeal process;"

Page 1, line 5, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 344"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2403: A bill for an act relating to taxation; property; changing certain published notice and the hearing date requirements on proposed property taxes; amending Minnesota Statutes 1991 Supplement, section 275.065, subdivisions 5a and 6.

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

Page 6, after line 19, insert:

"Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 275.065, as amended by Laws 1991, chapters 130, section 28; 199, article 2, section 20; and 265, article 9, sections 64 and 65, is repealed on December 31, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "sunsetting the truth in taxation provisions;"

Page 1, line 6, before the period, insert "; repealing Minnesota Statutes 1990, section 275.065, 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. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 2316: A bill for an act relating to drivers' licenses; abolishing requirements to surrender driver's license under certain circumstances; amending Minnesota Statutes 1990, sections 169.121, subdivision 7; 169.123, subdivision 5a; 171.11; and 171.22, subdivision 1; Minnesota Statutes 1991 Supplement, section 171.02, subdivision 1; repealing Minnesota Statutes 1990, section 171.20, subdivision 1.

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

Page 2, line 21, strike "The officer shall" and delete "invalidate" and strike "the license"

Page 2, line 22, strike "or permit"

Page 2, lines 25 and 26, delete the new language and strike the period

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1990, section 169.14, subdivision 10, is amended to read:

Subd. 10. [RADAR; ~~SPEEDALYZER~~ *SPEED-MEASURING DEVICES; STANDARDS OF EVIDENCE.*] In any prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed as indicated on radar or other ~~speedalyzer~~ *speed-measuring* devices is admissible in evidence, subject to the following conditions:

- (a) The officer operating the device has sufficient training to properly operate the equipment;
- (b) The officer testifies as to the manner in which the device was set up and operated;
- (c) The device was operated with minimal distortion or interference from outside sources; and
- (d) The device was tested by an accurate and reliable external mechanism, method, or system at the time it was set up.

Records of tests made of such devices and kept in the regular course of operations of any law enforcement agency are admissible in evidence without further foundation as to the results of the tests. The records shall be available to a defendant upon demand. Nothing in this subdivision shall be construed to preclude or interfere with cross examination or impeachment of evidence of the rate of speed as indicated on the radar or ~~speedalyzer~~ *speed-measuring* device."

Page 3, after line 12, insert:

"Sec. 5. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class

of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles *and combinations of vehicles*, except *commercial motor* vehicles ~~with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials;~~ and

(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.

~~The holder of a class C license may also tow vehicles if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.~~

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses. *The holder of a class B license may also tow vehicles with a gross vehicle weight of 10,000 pounds or less.*

(d) Class A; valid for any vehicle or combination thereof."

Page 4, after line 32, insert:

"Sec. 9. [EFFECTIVE DATE.]

Sections 1, 2, 4, and 6 to 8 are 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, line 4, after the semicolon, insert "revising driver's license classifications; making technical corrections;"

Page 1, line 6, after the first semicolon, insert "169.14, subdivision 10;"

Page 1, line 7, delete "subdivision" and insert "subdivisions 1 and 2"

Page 1, line 8, delete "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 re-referred

S.F. No. 2645: A bill for an act relating to agriculture; providing requirements for discharges from aquatic farms; requiring permits; requiring monitoring; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1991 Supplement, section 17.498.

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

Page 6, line 25, delete "*prevent pollution of*" and insert "*protect the*" and delete "*causing*" and insert "*as a potable water source.*"

Page 6, line 26, delete everything before "*Minnesota*"

Page 8, after line 28, insert:

"For permitted net pen facilities existing on July 1, 1992, the commissioner of agriculture shall monitor and enforce degradation of groundwater as provided in chapter 103H and the nutrients and by-products of the net pen farming are fertilizers and agricultural chemicals for purposes of regulation. The permittee shall pay for installation of monitoring wells and monitoring determined to be necessary by the commissioner of agriculture in an amount not to exceed \$80,000. If monitoring of the groundwater determines a common detection of pollutants from the net pen facility, the permittee shall pay for monitoring costs. The commissioner of agriculture shall provide annual reports on the monitoring to the commissioner of health and the pollution control agency. Permits may not be issued for new net pen facilities until July 1, 1997."

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. 2392: A bill for an act relating to state parks; authorizing additions to and deletions from certain state parks; authorizing an easement and regulating campground use at McCarthy Beach state park.

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

Page 1, after line 13, insert:

"The following area is deleted from Cascade River state park: That part of the West 750 feet of Government Lot 4, Section 32, Township 61 North, Range 1 West, Cook County, Minnesota, lying southerly of the southerly right-of-way line of U.S. Highway 61; including all riparian rights to the contained 1.6 acres, more or less. Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources may sell

the land so deleted from the park to adjacent landowners. The land shall be conveyed in a form approved by the attorney general for a consideration of not less than the appraised value."

Page 2, line 17, delete "*the North Half of*"

Page 2, line 24, delete "20" and insert "22"

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. 2421: A bill for an act relating to natural resources; extending the term of certain timber permits.

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

Delete everything after the enacting clause and insert:

"Section 1. [EXTENSION OF CERTAIN TIMBER PERMITS.]

(a) The commissioner of natural resources shall extend for an additional period of two years any timber permit issued under Minnesota Statutes, chapter 90, which expires between December 1, 1991, and June 1, 1992. This extension is:

- (1) in addition to any extension previously granted under chapter 90;*
- (2) made without additional charge including interest; and*
- (3) subject to the remaining provisions of chapter 90.*

Any timber cut during the period of the extension or remaining uncut at the expiration of the extension shall be billed at the stumpage rates of the original sale.

(b) Previous extensions of timber permits under Minnesota Statutes, section 90.193, granted between December 1, 1991, and the effective date of this act shall be granted without interest. Any timber cut during the period of the extension or remaining uncut at the expiration of the extension shall be billed at the stumpage rates of the original sale.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is repealed May 31, 1994."

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. 2299: A bill for an act relating to state trails; providing for the establishment of the Blufflands Trail System; amending Minnesota Statutes 1990, section 85.015, subdivision 7.

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

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

S.F. No. 2308: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Kandiyohi county.

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

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

S.F. No. 2256: A bill for an act relating to regional development commissions; requiring regional development commissions to establish permit and license information centers; amending Minnesota Statutes 1990, sections 116C.34, subdivisions 1 and 3; and 462.391, by adding a subdivision.

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

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

S.F. No. 1787: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Fillmore county.

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

Page 1, line 13, before the period, insert "*and provide for reservation of an easement two rods in width, measured from the ordinary high water mark of the Root River*"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2110: A bill for an act relating to economic development; providing that Ramsey county has the powers and duties of a city for the purpose of economic development authorities; amending Minnesota Statutes 1990, section 469.091, 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 469.004, subdivision 1, is amended to read:

Subdivision 1. [PRELIMINARY COUNTY FINDINGS AND DECLARATION.] There is created in each county in this state ~~other than Ramsey and~~ other than those counties in which a county housing authority has been created by special act, a public body, corporate and politic, to be known as the housing and redevelopment authority of that county, hereinafter referred to as "county authority." No county authority shall transact any business or exercise any powers until the governing body of the county, by

resolution, finds that there is need for a county authority to function in the county. The governing body shall consider the need for a county authority to function (1) on the governing body's own motion or (2) upon the filing of a petition signed by 25 qualified voters of the county asserting that there is need for a county authority to function in the county and requesting that the governing body so declare. The governing body shall adopt a resolution declaring that there is need for a county authority to function in the county if it makes the findings required in section 469.003, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 469.004, is amended by adding a subdivision to read:

Subd. 1a. [RAMSEY COUNTY AUTHORITY.] Ramsey county may exercise the powers of a housing and redevelopment authority. Before the commencement of a project by Ramsey county acting as a housing and redevelopment authority, the governing body of the municipality in which the project is to be located shall, by majority vote, approve the project as recommended by the authority.

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective on the day after the Ramsey county board complies with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to Ramsey county; authorizing Ramsey county to exercise housing and redevelopment authority powers; amending Minnesota Statutes 1990, section 469.004, subdivision 1, and by adding a subdivision."

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2073: A bill for an act relating to economic development; providing for the allocation of bonding authority; amending Minnesota Statutes 1991 Supplement, sections 474A.03, subdivision 2a; and 474A.091, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] On the first Monday in May of 1992, \$15,000,000 of bonding authority is reserved within the manufacturing pool and \$5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091.

Subd. 2. [1992 CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education

coordinating board for student loan bonds on December 1 of 1992.

Subd. 3. [1993 UNIFIED POOL RESERVATION.] On the first Monday in August of 1993, up to \$10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed \$20,000,000 of bonding authority.

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 economic development; providing reservations and a carryforward for bonding authority for student loan bonds issued by the higher education coordinating board."

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2489: A bill for an act relating to housing; creating a regional housing revitalization program; imposing a deed tax on certain real property transfers within the metropolitan area; appropriating money; amending Minnesota Statutes 1990, sections 287.21, subdivisions 1 and 2; 287.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 1, line 26, strike the second "\$1.65" and insert "\$3.30"

Page 1, line 27, strike "\$500" and insert "\$1,000"

Page 2, line 6, delete "50 cents" and insert "\$1" and delete "\$500" and insert "\$1,000"

Page 2, line 8, delete "\$1.50" and insert "\$3" and delete "\$500" and insert "\$1,000"

Page 2, line 10, delete "\$2.50" and insert "\$5" and delete "\$500" and insert "\$1,000"

Page 3, after line 2, insert:

"Sec. 4. [462A.206] [REGIONAL HOUSING REVITALIZATION FUND.]

Subdivision 1. [ESTABLISHMENT.] The regional housing revitalization fund is established as a separate account in the housing development fund. The regional housing revitalization fund is a revolving loan fund. The fund consists of all revenue deposited in it under section 287.21, subdivision 2, and all other funds made available to the fund by law.

Subd. 2. [USES OF FUND.] The agency may make loans to cities located in a metropolitan county as defined in section 473.121, subdivision 4, for housing revitalization under terms and conditions determined by the governing board established under section 473.202, for projects approved by

the governing board. "Housing revitalization" means rehabilitation of housing as defined in section 462A.03, subdivision 15, removal of condemned or abandoned property, and removal of property where repair is not economically feasible.

Sec. 5. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 17. [REGIONAL HOUSING REVITALIZATION FUND.] It may make loans for the purpose of section 4 and may pay the costs and expenses necessary and incidental to the operation of the loan program."

Page 3, delete lines 4 to 31

Page 3, line 32, delete "Subd. 4. [METROPOLITAN COUNCIL; GOVERNING BOARD.]"

Page 3, line 35, delete "municipalities" and insert "cities under section 4"

Page 4, line 13, after the period, insert "*The board shall report biennially to the legislature on the use and expenditure of funds under this section. The first report is due on January 15, 1994. The report must include information on the number and size of housing units created; the income levels, size, and racial or ethnic composition of the families served; and the number of units demolished.*"

Page 4, lines 15 and 19, delete "4" and insert "6"

Page 4, after line 16, insert:

"Sec. 8. [APPROPRIATION.]

§ is transferred from the general fund to the regional housing revitalization fund."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "462A.21, by adding a subdivision;"

Page 1, line 8, delete "chapter" and insert "chapters 462A; and"

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 2144: A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 1839: A bill for an act relating to the city of Richfield; providing for the application of fiscal disparities to a certain tax increment financing district.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 2497: A bill for an act relating to commerce; defining the responsibilities of ski area operators and skiers; defining the rights and liabilities between skiers and between a skier and a ski area operator; proposing coding for new law as Minnesota Statutes, chapter 86C.

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

Page 12, after line 18, insert:

“Sec. 13. Laws 1973, chapter 327, section 5, is amended by adding a subdivision to read:

Subd. 8. [OUTSIDE BUSINESS ACTIVITIES.] Notwithstanding any contrary provision of sections 1 to 12, the authority may engage in business activities outside the geographic boundaries of the Spirit Mountain recreation area.

Sec. 14. [EFFECTIVE DATE.]

Section 13 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth.”

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “authorizing the Spirit Mountain recreation area authority to engage in business activities outside the Spirit Mountain recreation area; amending Laws 1973, chapter 327, section 5;”

And when so amended the bill do pass. Mr. Spear questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2191: A bill for an act relating to liquor; providing a procedure for determining liquor liability insurance rates; amending Minnesota Statutes 1990, section 340A.409, subdivision 1.

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

Page 1, line 9, before “No” insert “(a)”

Page 2, line 24, before “Rates” insert “(b)”

Page 2, line 26, after the period, insert “*This paragraph does not prohibit an insurer from using type of business or prior claims experience in setting rates. The commissioner of revenue shall adopt rules to implement this paragraph.*”

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

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

S.F. No. 1893: A bill for an act relating to the city of Zumbrota; allowing informational signs.

Reports the 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 173.08, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISING DEVICES RESTRICTED.] No advertising device, excepting the advertising devices described and permitted under sections 173.01 to 173.27, shall be erected or maintained in an adjacent area, after June 8, 1971, except the following:

(a) Directional and other official signs, including, but not limited to, signs pertaining to natural wonders, scenic and historical attractions, which are required or authorized by law, and which comply with rules which shall be promulgated by the commissioner relative to their lighting, size, spacing and other requirements as may be appropriate to implement sections 173.01 to 173.27;

(b) Advertising devices advertising the sale or lease of property upon which they are located, provided that there shall not be more than one such sign, advertising the sale or lease of the same property, visible to traffic proceeding in any one direction on any one interstate or primary highway;

(c) Advertising devices advertising activities conducted on the property on which they are located, including, without limiting the generality of the foregoing, goods sold, stored, manufactured, processed or mined thereon, services rendered thereon, and entertainment provided thereon;

(d) Advertising devices stating the name and address of the owner, lessee or occupant of such property or information otherwise required or authorized by law to be posted or displayed thereon;

(e) Public utility signs;

(f) Service club and religious notices;

(g) Advertising devices of which the advertising copy or the name of the owner thereof is in no part visible from the traveled way of the aforesaid highways;

(h) Advertising devices which are located, or which are to be located, in business areas and which comply, or will comply when erected, with the provisions of sections 173.01 to 173.27;

(i) Signs placed temporarily by auctioneers under section 169.07-;

(j) *Community identification signs which are located within two miles of the community and do not exceed 750 square feet. "Community" means a county, town, or home rule charter or statutory city. Prior to the erection of a community identification sign, the community must:*

- (1) *obtain approval from the governing body of the community;*
- (2) *consult with local road authorities on placement and location of the sign; and*
- (3) *obtain consent of the owner of the land on which the sign is to be erected.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4, is amended to read:

Subd. 4. [FEES.] 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 \$25 ~~on July 1, 1991, and \$30 on July 1, 1992, and thereafter.~~

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be \$50 ~~on July 1, 1991, and \$60 on July 1, 1992, and thereafter.~~

(3) If the advertising area exceeds 300 square feet, the fee shall be \$100 ~~on July 1, 1991, and \$120 on July 1, 1992, and thereafter.~~

(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 173.16, subdivision 5, is amended to read:

Subd. 5. [LOCAL CONTROL.] (1) Whenever a bona fide county or local zoning authority has made a legitimate determination of customary usage and in the judgment of the commissioner, reasonably provides for size, lighting and spacing control of advertising devices, such determination shall be accepted in lieu of the provisions of this chapter in the zoned commercial and industrial areas within the geographical jurisdiction of such authority.

(2) All county and local zoning authorities shall give notice to the commissioner of transportation of the establishment or revision of any commercial and industrial zones pursuant to subdivision 1. Notice shall be by certified mail sent to the office of the commissioner of transportation in St. Paul, Minnesota, within 15 days after the effective date of the zoning change or establishment.

(3) The commissioner may not disapprove any zoning ordinance adopted by a county or local zoning authority that has the effect of establishing a business area unless the zoning ordinance would result in the loss to the state of federal highway funds."

Delete the title and insert:

"A bill for an act relating to local government; authorizing placement of community identification signs; amending fees for highway advertising devices; restricting the commissioner's authority over business zoning; amending Minnesota Statutes 1990, sections 173.08, subdivision 1; and 173.16, subdivision 5; Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4."

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

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

S.F. No. 1875: A bill for an act relating to freedom of expression; providing for free press rights of students in public schools; proposing coding for new law in Minnesota Statutes, chapter 126.

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

Delete everything after the enacting clause and insert:

“Section 1. [126.25] [RIGHT OF STUDENTS TO FREEDOM OF PRESS.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them.

(a) “Student publication” means materials:

(1) produced by high school students in a journalism, newspaper, magazine, yearbook, or writing class or as a part of a cocurricular, as defined in section 123.38, subdivision 2a, or extracurricular activity under the control of the school board, according to section 123.38, subdivision 2b; and

(2) distributed to the high school student body.

(b) “Publications advisor” means a person who supervises student publications, to the extent the position of publications advisor is maintained at a school.

(c) “High school” means a secondary school in which students in grades 9 through 12 or grades 10 through 12 are enrolled.

Subd. 2. [FREEDOM OF EXPRESSION.] High school students enrolled in a school district have the right to exercise freedom of the press. Expression contained in a student publication is not subject to prior restraint, except as provided in subdivision 3.

Subd. 3. [LIMITATIONS.] (a) This section does not authorize high school students to publish:

(1) expression that is obscene;

(2) expression that is defamatory;

(3) expression that creates a clear and present danger of material and substantial disruption of the orderly operation of the school or of the safety of students, faculty, or employees; or

(4) expression that violates the privacy rights of individuals.

(b) The school district has the burden of establishing a justification for a prior restraint authorized under paragraph (a). A prior restraint must be based on specific facts, events, or situations that establish the existence of at least one of the factors in paragraph (a).

Subd. 4. [EDITORIAL RESPONSIBILITY; SUPERVISION.] (a) Student editors of high school student publications are responsible for determining the news, opinion, and advertising content of their publications, subject to the limitations of this section. It is the responsibility of the publications advisor within each school to supervise the production of the publications and to teach and encourage free and responsible expression and professional standards for language and journalism.

(b) If participation in a high school student publication is part of a school class or activity for which grades are given or credits are awarded, this section does not interfere with the authority of the publications advisor to establish or limit writing assignments for the students working with the publication or to otherwise direct or control the learning experience that the publication is intended to provide.

(c) Data published in student publications shall not be construed to be data collected, maintained, or disseminated by a school district.

Subd. 5. [SCHOOL DISTRICT PUBLICATIONS CODE.] Each school board shall adopt a written high school publications code consistent with the terms of this section that includes reasonable provisions for the time, place, and manner of publication and distribution of student publications. The publications code must be distributed, posted, or otherwise made available to all students and teachers.

Subd. 6. [STUDENT EXPRESSION NOT SCHOOL POLICY; LIABILITY.] Expression made by high school students in the exercise of freedom of speech or freedom of the press is not considered to be an expression of school policy or the release of data by a school district. A school district, school board member and school district official or employee in their official capacity, or parent or legal guardian of a student shall not be liable in any civil or criminal action arising from any expression made or published by high school students in a student publication. No action or inaction in the carrying out of any duty to supervise or any other duty under this section shall create liability for any school district, school board member, or official or employee of the district."

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

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

S.F. No. 2195: A bill for an act relating to education; establishing an adopt-a-school program allowing students and the community to voluntarily maintain a public school; proposing coding for new law in Minnesota Statutes, chapter 120.

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

Page 1, line 7, delete "120.675" and insert "123.746"

Page 1, line 9, delete everything after "established"

Page 1, delete line 10

Page 1, line 11, delete everything before "to"

Page 1, line 15, delete "3" and insert "2"

Page 1, line 18, delete "in accordance with" and insert "in coordination with the bargaining units represented in the school district."

Page 1, delete line 19

Page 1, line 20, delete "commissioner" and insert "school board"

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

Amend the title as follows:

Page 1, line 5, delete "120" and insert "123"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2194: A bill for an act relating to governmental operations; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; providing for investments and uses of public facilities; amending Minnesota Statutes 1990, sections 11A.24, subdivision 6; 13.76, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.696; 471.697; 471.6985; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; 471; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

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

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1990, section 6.02, is amended to read:

6.02 [~~DEPUTY DEPUTIES~~, EMPLOYEES.]

The state auditor shall appoint a deputy, who may perform all the duties of the office when the auditor is absent or disabled. The state auditor may employ and at pleasure dismiss *two additional deputies and* a private secretary."

Page 2, after line 32, insert:

"Sec. 4. Minnesota Statutes 1990, section 15A.082, is amended by adding a subdivision to read:

Subd. 4a. [CONSTITUTIONAL OFFICERS.] No constitutional officer whose compensation is set under this section may receive monetary compensation for unused vacation or sick leave accruals."

Page 4, delete section 8

Page 9, line 5, delete "15" and insert "16"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the complement of the state auditor's office;"

Page 1, line 6, after "sections" insert "6.02;"

Page 1, line 7, after the second semicolon, insert "15A.082, by adding a subdivision;"

Page 1, line 12, delete "471;"

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

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

S.F. No. 2686: A bill for an act relating to human services; requiring the commissioner to contract with a prepaid dental plan company to provide dental services to recipients of medical assistance, general assistance medical care, and the children's health plan; amending Minnesota Statutes 1990, section 256B.0625, subdivision 9.

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

Page 2, after line 27, insert:

“(c) Nothing in this section affects the commissioner’s authority to contract under sections 256B.031, 256B.035, and 256D.03, subdivision 4, paragraph (b).”

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. 2458: A bill for an act relating to human services; regulating medical assistance payments for the services of occupational and physical therapy assistants.

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 256B.0625, is amended by adding a subdivision to read:”

Page 1, line 6, delete “Section 1.” and insert “*Subd. 8b.*”

Page 1, line 8, delete the paragraph coding

Amend the title as follows:

Page 1, line 4, before the period, insert “; amending Minnesota Statutes 1990, section 256B.0625, by adding a subdivision”

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

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

S.F. No. 1876: A bill for an act relating to occupations and professions; board of medical practice; clarifying requirements for granting medical licenses and for investigating physicians; amending Minnesota Statutes 1990, sections 147.131; and 147.161, subdivision 3; Minnesota Statutes 1991 Supplement, section 147.03.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1976: A bill for an act relating to human services; extending the exemption from the Minnesota supplemental aid rate cap to allow payments at the case mix rate for certain medical assistance certified boarding care facilities and nursing homes declared institutions for mental disease; amending Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 2216: A bill for an act relating to human services; providing for state takeover of the county share of the costs of growth in emergency general assistance; negotiated rate facility payments and emergency assistance; amending Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

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

S.F. No. 2536: A bill for an act relating to the department of jobs and training; modifying provisions concerning dislocated worker fund disbursements; amending Minnesota Statutes 1991 Supplement, section 268.022, subdivision 2.

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

Page 2, line 4, delete "*No more than*"

Page 2, line 6, delete "*may*" and insert "*shall*"

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

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

S.F. No. 2533: A bill for an act relating to human services; establishing a project to enhance the recovery of overpaid benefits; creating administrative fraud disqualification hearings as an optional method for resolving AFDC and food stamp fraud cases; creating a task force to consider and evaluate mechanisms which would allow the administrative determination of overpayments and their docketing as judgments; defining in-kind income in the AFDC and GA programs; authorizing disqualification from the AFDC and food stamp programs based on administrative fraud hearings; creating and authorizing the use of commissioner's subpoenas in investigations involving public assistance programs; establishing the offense defined as assistance transaction card fraud; establishing a pilot project to examine options designed to enhance the recovery of overpayments in assistance programs; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 256.019; 256.12, by adding a subdivision; 256D.02,

subdivision 8; and 256D.35, subdivision 11; Minnesota Statutes 1991 Supplement, section 256.98, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Page 2, line 34, before the period, insert "*and the requirements in Code of Federal Regulations, title 7, section 273.16, for the food stamp program and title 45, section 235.112, for the aid to families with dependent children program*"

Page 3, line 8, after the period, insert "*If the individual accused of wrongfully obtaining assistance is charged under section 256.98 for the same act or acts which are the subject of the hearing, the individual may request that the hearing be delayed until the criminal charge is decided by the court or withdrawn.*"

Page 3, lines 14 and 16, delete "\$1,000" and insert "\$2,000"

Page 3, lines 17 and 19, delete "\$2,500" and insert "\$5,000"

Page 3, after line 21, insert:

"Overpayments for purposes of this subdivision are defined as the total amount of aid to families with dependent children overpayment and food stamp overissuance."

Page 4, line 5, before the comma, insert "*of an applicant or recipient*"

Page 4, line 6, delete "*an*" and insert "*the*"

Page 6, line 13, delete "2" and insert "3"

Page 7, line 5, after "*Benefits*" insert "*of an applicant or recipient*"

Page 7, lines 7 and 18, delete "*an*" and insert "*the*"

Page 7, line 16, before the comma, insert "*of the recipient*"

Page 8, line 4, delete ". . . ." and insert "*human services*"

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

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

S.F. No. 2325: A bill for an act relating to human services; requiring the commissioner to recalculate hospital payment rates using 1991 as the base year.

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

Page 1, line 12, delete everything after the period

Page 1, delete line 13

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

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

S.F. No. 2411: A bill for an act relating to human services; providing for pilot projects to demonstrate the use of intergovernmental contracts between state and counties to fund, administer, and regulate delivery of community social service programs; appropriating money.

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

Page 1, line 19, delete "25" and insert "6"

Page 1, line 24, after the period, insert "*The commissioner shall consider statewide distribution and county population in selecting counties for the pilot project.*"

Page 2, line 8, delete "*Implementing*" and insert "*Improving*"

Page 2, line 26, after "*the*" insert "*procedural*" and delete "*administrative rules*" and insert "*state law*"

Page 2, line 28, after "*continue*" insert "*mandated*" and delete everything after "*services*"

Page 2, line 29, delete everything before the period

Page 3, line 18, delete everything after "*under*" and insert "*state and federal law*"

Page 3, line 19, delete "256.045"

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

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

S.F. No. 1735: A bill for an act relating to children; authorizing criminal background checks of professional and volunteer children's service workers; establishing procedures for the sharing of criminal record data with children's service providers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 299C.

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

Page 2, line 32, after the period, insert "*The superintendent shall recover the cost of a background check through a fee charged the children's service provider.*"

Page 3, line 27, delete the second "*and*"

Page 3, line 29, delete the period and insert " ; *and*

(4) the right not to be required directly or indirectly to pay the cost of the background check."

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. 1979: A bill for an act relating to human services; providing for six demonstration projects to test alternatives to the delivery of mental health services; amending Minnesota Statutes 1990, section 256E.05, by adding a subdivision.

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

Page 1, line 10, delete "PROJECTS" and insert "PROJECT"

Page 1, lines 12 and 13, delete "*up to six demonstration projects, one of which must be a home rule charter county,*" and insert "*a pilot project in Ramsey county*"

Page 1, line 16, after "*of*" insert "*the*" and delete "*boards*" and insert "*board*"

Page 1, line 20, delete "*projects*" and insert "*project*"

Page 2, line 6, after "*establishing*" insert "*the*" and delete "*departments*" and insert "*department*"

Page 2, line 7, delete "*boards*" and insert "*board*"

Page 2, lines 10, 24, 26, and 31, delete "*projects*" and insert "*project*"

Page 2, line 13, before the colon, insert "*provided that any share of mental health expenditures from sources listed that are used for commitment or treatment in a regional treatment center must not be part of integrated funding*"

Page 2, line 21, after the semicolon, insert "*and*"

Page 2, line 22, delete "*; and*" and insert a period

Page 2, delete line 23

Page 2, line 28, delete "*projects*" and insert "*projects*"

Amend the title as follows:

Page 1, line 2, delete "six" and insert "a pilot project in Ramsey county"

Page 1, line 3, delete "demonstration projects"

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. 2124: A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

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

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

S.F. No. 2232: A bill for an act relating to courts; requiring the state to reimburse counties for certain extradition expenses from any forfeited bail of the defendant or probationer that had been forwarded to the state treasury

as required by law; amending Minnesota Statutes 1990, section 485.018, subdivision 5.

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

Page 1, line 25, after “for” insert “*the actual costs of*”

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. 2111: A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2206, 2286, 1590, 2274, 1649, 2175, 2213, 1784, 1668, 1376, 1755, 2514, 1693, 2338, 2162, 2344, 2301, 2319, 2173, 2117, 2475, 2572, 878, 2231, 2298, 2376, 2311, 1156, 2461, 2316, 2645, 2392, 2421, 2299, 2308, 2256, 1787, 2110, 2191, 1875, 2195, 1735, 2124 and 2111 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Mondale moved that the name of Ms. Traub be added as a co-author to S.F. No. 1951. The motion prevailed.

Mr. Lessard moved that his name be stricken as a co-author to S.F. No. 2231. The motion prevailed.

Mr. Lessard moved that the name of Mr. Finn be added as a co-author to S.F. No. 2344. The motion prevailed.

Mr. Davis moved that the name of Mr. Day be added as a co-author to S.F. No. 2394. The motion prevailed.

Mr. Johnson, D.E. moved that the name of Mr. Day be added as a co-author to S.F. No. 2561. The motion prevailed.

Mr. Mondale introduced—

Senate Resolution No. 126: A Senate resolution congratulating Harvey Zander on being named Owner Operator of the Year by the Interstate Truckload Carriers Conference.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 127: A Senate resolution commending Richard Preiss for over 38 years of military service in the Minnesota Army National Guard.

Referred to the Committee on Rules and Administration.

Mr. Novak moved that the name of Ms. Olson be added as a co-author

to S.F. No. 2484. The motion prevailed.

Mr. Benson, D.D. moved that the name of Mr. Larson be added as a co-author to S.F. No. 2535. The motion prevailed.

Mr. Metzen moved that S.F. No. 720 be taken from the table. The motion prevailed.

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.

RECONSIDERATION

Mr. Metzen moved that the vote whereby S.F. No. 720 was repassed by the Senate on May 20, 1991, be now reconsidered. The motion prevailed.

RECONSIDERATION

Mr. Metzen moved that the vote whereby the recommendations of the Conference Committee Report on S.F. No. 720 were adopted on May 20, 1991, be now reconsidered. The motion prevailed.

Mr. Metzen moved that, the Senate having reconsidered the vote whereby S.F. No. 720 was repassed, and the vote whereby the recommendations of the Conference Committee Report were adopted on May 20, 1991, that S.F. No. 720 be re-referred to the Conference Committee for further consideration. The motion prevailed.

Mr. Benson, D.D. moved that S.F. No. 2536 be withdrawn from the

Committee on Governmental Operations and re-referred to the Committee on Finance. The motion prevailed.

Mr. Metzen moved that S.F. No. 2110, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Reichgott moved that S.F. No. 2194 be withdrawn from the Committee on Local Government, given a second reading and placed on General Orders. The motion prevailed.

CALENDAR

S.F. No. 1919: A bill for an act relating to trade regulations; regulating telephone advertising services; providing penalties and remedies; amending Minnesota Statutes 1990, section 8.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2044: A bill for an act relating to water; creating an exemption from certain requirements relating to once-through water use permits; amending Minnesota Statutes 1990, section 103G.271, 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 54 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Knaak	Metzen	Reichgott
Beckman	Frank	Kroening	Moe, R.D.	Renneke
Belanger	Frederickson, D.J.	Laidig	Mondale	Rivness
Benson, D.D.	Frederickson, D.R.	Langseth	Neuville	Sams
Benson, J.E.	Gustafson	Larson	Novak	Samuelson
Bernhagen	Halberg	Lessard	Olson	Solon
Bertram	Hughes	Luther	Pappas	Stumpf
Chmielewski	Johnson, D.E.	Marty	Pariseau	Terwilliger
Cohen	Johnson, D.J.	McGowan	Piper	Traub
Day	Johnston	Mehrkens	Pogemiller	Vickerman
DeCramer	Kelly	Merriam	Ranum	

Those who voted in the negative were:

Berg	Davis	Hottinger	Morse	Waldorf
Berglin	Finn	Johnson, J.B.	Price	

So the bill passed and its title was agreed to.

H.F. No. 917: A bill for an act relating to commerce; requiring additional license for motor vehicle lessor, wholesaler, or auctioneer when establishing additional place of doing business in a second class city outside of the metropolitan area; amending Minnesota Statutes 1990, section 168.27, subdivision 10.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1638: A bill for an act relating to counties; permitting county offices to be filled by special election; amending Minnesota Statutes 1990, sections 375.08; and 375.101, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 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.	Flynn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Solon
Berglin	Frederickson, D.R.	Langseth	Olson	Spear
Bernhagen	Gustafson	Larson	Pappas	Stumpf
Bertram	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

Mr. Finn voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1773: A bill for an act relating to cities and counties; permitting the appointment of citizen budget advisory committees; proposing coding for new law in Minnesota Statutes, chapter 471.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Dicklich; Johnson, D.J. and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2227: A bill for an act relating to landlords and tenants; changing the interest rate required on a rental deposit; amending Minnesota Statutes 1990, section 504.20, 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 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McGowan	Renneke
Beckman	Day	Johnson, D.E.	Mehrkens	Sams
Belanger	DeCramer	Johnston	Metzen	Solon
Benson, D.D.	Flynn	Kelly	Moe, R. D.	Stumpf
Benson, J.E.	Frederickson, D.J.	Knaak	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Laidig	Pariseau	Traub
Bertram	Gustafson	Langseth	Piper	Vickerman
Chmielewski	Halberg	Lessard	Price	
Cohen	Hottinger	Marty	Ranum	

Those who voted in the negative were:

Berg	Frank	Luther	Novak	Spear
Berglin	Johnson, D.J.	Merriam	Pogemiller	
Davis	Johnson, J.B.	Mondale	Reichgott	
Dicklich	Kroening	Morse	Riveness	
Finn	Larson	Neuville	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 1911: A bill for an act relating to Hubbard county; authorizing the private sale of certain land which was exchanged for tax-forfeited land.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederickson, D.J.	Langseth	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2011: A bill for an act relating to waters; granting sheriffs power to bar vehicles from unsafe ice; eliminating the appeal to the commissioner of natural resources from a sheriff's decision; amending Minnesota Statutes 1990, section 86B. 121; 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 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	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	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	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Second Reading of Senate Bills.

SECOND READING OF SENATE BILLS

S.F. No. 2194 was read the second time.

CONSENT CALENDAR

H.F. No. 2259: A bill for an act relating to retirement; setting an earlier accrual date for a certain retired member of the state retirement system.

Was read the third time 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	Halberg	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Terwilliger
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. 2385: A bill for an act relating to elections; special school district No. 1; allowing special school district No. 1 to change the years of its elections; amending Laws 1959, chapter 462, 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson	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	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	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	
Day	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2307: A bill for an act relating to elections; changing deadlines for certain statutory cities to abolish the ward system; amending Minnesota Statutes 1990, section 412.023, 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	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	Frederickson, D.J.	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.R.	Langseth	Novak	Solon
Bernhagen	Gustafson	Larson	Olson	Spear
Bertram	Halberg	Lessard	Pappas	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Terwilliger
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.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Ms. Johnson, J.B. introduced—

S.F. No. 2688: A bill for an act relating to motor vehicles; requiring motor vehicle manufacturers to sell low-emission motor vehicles and motor vehicles that use alternative fuel; requiring the pollution control agency to adopt rules; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

Messrs. Riveness, Spear and McGowan introduced—

S.F. No. 2689: A bill for an act relating to the pardon process; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; authorizing the board to conduct its deliberations on pardon applications in private; improving the pardon application procedure; requiring certain reports; prohibiting employment discrimination against pardoned offenders; appropriating money; amending Minnesota Statutes 1990, sections 363.03, subdivision 1; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law in Minnesota Statutes, chapter 638.

Referred to the Committee on Judiciary.

Mr. Davis introduced—

S.F. No. 2690: A bill for an act relating to wetlands; leasing of portions of acquired property; amending Minnesota Statutes 1990, section 97A.145, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 2691: A bill for an act relating to economic development; changing the name of the export finance authority to Minnesota trading company; increasing the size of the board of directors and changing the composition; changing the financing terms; amending Minnesota Statutes 1990, section 116J.9763, subdivisions 2, 6, and 7.

Referred to the Committee on Economic Development and Housing.

Ms. Piper introduced—

S.F. No. 2692: A bill for an act relating to energy; requiring energy providers to solicit contributions from customers for fuel funds that distribute emergency energy assistance to low-income households; establishing a statewide fuel fund in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Energy and Public Utilities.

Mr. Davis introduced—

S.F. No. 2693: A bill for an act relating to agriculture; authorizing the commissioner of agriculture to make certain adjustments, agreements, and settlements in family farm security loans; providing for transfer and disposition of certain funds; appropriating money; amending Minnesota Statutes 1990, sections 41.56, subdivision 3; 41.57, by adding subdivisions; and 41.61, by adding a subdivision.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Knaak and Kelly introduced—

S.F. No. 2694: A bill for an act relating to courts; authorizing issuance of bonds to finance the construction of centrally located suburban Ramsey county court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185; proposing coding for new law in Minnesota Statutes, chapter 488A.

Referred to the Committee on Local Government.

Messrs. Gustafson and Solon introduced—

S.F. No. 2695: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for capital planning for the University of Minnesota-Duluth campus library addition.

Referred to the Committee on Education.

Mrs. Pariseau and Mr. Benson, D.D. introduced—

S.F. No. 2696: A bill for an act relating to social and charitable organizations; prohibiting solicitors by organizations whose officer's or director's annual compensation exceeds the governor's; amending Minnesota Statutes 1990, section 309.52, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 309.

Referred to the Committee on Commerce.

Mrs. Pariseau introduced—

S.F. No. 2697: A bill for an act relating to the military; authorizing the adjutant general to lease certain land; amending Minnesota Statutes 1990, section 190.25, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Mr. Lessard introduced—

S.F. No. 2698: A bill for an act relating to taxation; sales; providing an exemption for certain purchases by Canadian residents; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Riveness; Frederickson, D.R.; Ms. Ranum, Messrs. Pogemiller and Waldorf introduced—

S.F. No. 2699: A bill for an act relating to state government; department of administration; changing the government data classification of requests for proposals; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; amending administration of STARS; changing the date for the department of administration to report recycling goals; providing that the department may retain money from successful litigation; amending auditing requirements for noncommercial radio stations; extending the date for relocating the state printing operation; making various technical changes; amending Minnesota Statutes 1990, sections 13.37, subdivision 2; 16A.15, subdivision 3; 16B.09, by adding a subdivision; 16B.121; 16B.24, subdivisions 1, 5, and 6; 16B.31, by adding a subdivision; 16B.33, subdivision 3; 16B.40, subdivision 8; 16B.465, subdivisions 2, 3, and 6; 16B.58, subdivision 5; 129D.14, subdivisions 3, 4, and 6; Minnesota Statutes 1991 Supplement, sections 16B.19, subdivision 2b; 103B.311, subdivision 7; 115A.15, subdivision 9; and 138.94, subdivision 1; and Laws 1991, chapter 345, article 1, section 17, subdivision 4.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 2700: A bill for an act relating to the department of employee relations; public employment; removing a committee's expiration date; modifying retirement program options; expanding a bidding requirement exemption; amending Minnesota Statutes 1990, section 43A.316, subdivisions 4, 6, and 10; Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 8; repealing Laws 1990, chapter 589, article 2, section 3.

Referred to the Committee on Governmental Operations.

Mrs. Benson, J.E. introduced—

S.F. No. 2701: A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 2702: A bill for an act relating to local governments; reimbursing costs incurred by peace officers in defending civilian complaints; amending Minnesota Statutes 1990, section 471.44.

Referred to the Committee on Judiciary.

Mr. Novak, by request, introduced—

S.F. No. 2703: A bill for an act relating to retirement; public employees retirement association; providing a refund to a member on medical leave.

Referred to the Committee on Governmental Operations.

Ms. Berglin and Mr. Samuelson introduced—

S.F. No. 2704: A bill for an act relating to human services; expanding provider surcharges to include providers not participating in the medical assistance program; modifying provider reimbursement rates; amending Minnesota Statutes 1990, sections 256B.431, subdivision 2i, and by adding a subdivision; and 256B.48, subdivision 1b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.071, subdivisions 3 and 3a; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, 20, and 21; 256B.431, subdivision 3f; and 256B.74, subdivisions 1 and 3; repealing Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256B.74, subdivisions 8 and 9; and Laws 1991, chapter 292, article 4, section 77.

Referred to the Committee on Health and Human Services.

Ms. Johnson, J.B. introduced—

S.F. No. 2705: A bill for an act relating to the environment; providing that a public information meeting must be held before a sanitary district may be created; providing for a hearing; amending Minnesota Statutes 1990, sections 115.19; and 115.20, subdivisions 1, 2, 3, 4, 5, and 6.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 2706: A bill for an act relating to agriculture; restricting ecologically harmful exotic terrestrial plants; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 18.

Referred to the Committee on Agriculture and Rural Development.

Ms. Piper introduced—

S.F. No. 2707: A bill for an act relating to human services; prohibiting restrictions on the right to provide licensed day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Health and Human Services.

Mr. Halberg introduced—

S.F. No. 2708: A bill for an act relating to consumer protection; regulating contracts for solid waste collection services; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Mr. Beckman introduced—

S.F. No. 2709: A bill for an act relating to education; authorizing election districts for a newly created school district in Martin county.

Referred to the Committee on Elections and Ethics.

Messrs. Sams, Davis, Bertram, Langseth and Day introduced—

S.F. No. 2710: A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, section 41B.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B.

Referred to the Committee on Agriculture and Rural Development.

Ms. Olson, Messrs. Dahl, Merriam, Mrs. Pariseau and Ms. Johnson, J.B. introduced—

S.F. No. 2711: A bill for an act relating to taxation; property; exempting property owned by nonprofit associations used as ice arenas; amending Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2712: A bill for an act relating to taxation; allowing municipalities to impose a tax on cable television services; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2713: A bill for an act relating to trade regulations; providing for the calculation of late payment charges by cable and subscription television companies; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Energy and Public Utilities.

Ms. Reichgott introduced—

S.F. No. 2714: A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by animal distributors; requiring the registration of distributors; prescribing penalties; providing remedies; creating a commission on commercial animal facilities and practices; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Davis and Sams introduced—

S.F. No. 2715: A bill for an act relating to taxation; income; imposing a tax for individuals, estates, and trusts computed as a percentage of federal income tax liability; proposing coding for new law as Minnesota Statutes, chapter 289B; repealing Minnesota Statutes 1990, sections 290.01, subdivisions 19b, 19f, 19g, and 20e; 290.032; 290.067, as amended; 290.0802, as amended; 290.081; and 290.091, as amended; Minnesota Statutes 1991 Supplement, sections 290.01, subdivisions 19a; 290.06, subdivisions 2c and 2d; and 290.0671.

Referred to the Committee on Taxes and Tax Laws.

Ms. Traub, Mr. Vickerman, Ms. Flynn, Mr. Hottinger and Ms. Ranum introduced—

S.F. No. 2716: A bill for an act relating to the department of jobs and training; modifying the duties of the commissioner; removing a council's expiration date; amending Minnesota Statutes 1990, sections 248.07, subdivisions 1 and 5; and 248.10, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2717: A bill for an act relating to education; authorizing a technical college operated by a school district to merge into a technical college operated by an intermediate school district; providing procedures for a merger; providing procedures for participation of that school district in that intermediate school district; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

Ms. Johnson, J.B.; Messrs. Pogemiller, Samuelson and Mondale introduced—

S.F. No. 2718: A bill for an act relating to human services; establishing a comprehensive medical rehabilitation services program; proposing coding for new law as Minnesota Statutes, chapter 256J.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 2719: A bill for an act relating to human services; providing that the council for the hearing impaired does not expire; amending duties of the council for the hearing impaired; amending Minnesota Statutes 1990, section 256C.28, subdivisions 2 and 3.

Referred to the Committee on Governmental Operations.

Ms. Ranum introduced—

S.F. No. 2720: A bill for an act relating to human services; clarifying ombudsman access to private data on mentally ill and emotionally disturbed clients; amending Minnesota Statutes 1990, section 245.94, subdivision 1.

Referred to the Committee on Judiciary.

Messrs. Langseth and Stumpf introduced—

S.F. No. 2721: 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; amending Laws 1976, chapter 162, section 1, as amended.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott introduced—

S.F. No. 2722: A bill for an act relating to education; clarifying elements of the comprehensive arts planning program; amending Minnesota Statutes

1990, sections 124C.07; 124C.08, subdivision 2; and 124C.09.

Referred to the Committee on Education.

Ms. Olson introduced—

S.F. No. 2723: A bill for an act relating to crimes; defining child endangerment to include situations involving parental operation of motorboats, snowmobiles, and motor vehicles while under the influence of alcohol in violation of law and with a child as a passenger and situations involving permitting a child to be present when a person is unlawfully possessing or using a controlled substance; amending Minnesota Statutes 1990, section 609.378, subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

Ms. Olson introduced—

S.F. No. 2724: A bill for an act relating to waters; control and eradication of Eurasian water milfoil; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on Agriculture and Rural Development.

Ms. Olson introduced—

S.F. No. 2725: A bill for an act relating to waters; requiring identification and inspection of watercraft operated in zebra mussel infested waters; authorizing fines for violations; proposing coding for new law in Minnesota Statutes, chapter 86B.

Referred to the Committee on Environment and Natural Resources.

Mrs. Pariseau introduced—

S.F. No. 2726: A bill for an act relating to the environment; clarifying the circumstances under which the commissioner of agriculture may order a corrective action; amending Minnesota Statutes 1990, section 18D.105, subdivision 1.

Referred to the Committee on Agriculture and Rural Development.

Mr. Renneke introduced—

S.F. No. 2727: A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

Referred to the Committee on Education.

Messrs. Sams, Davis, Bertram and Day introduced—

S.F. No. 2728: A bill for an act relating to agriculture; establishing a dairy fund in the state treasury; imposing fees; providing for certain milk premium payments to dairy farmers; establishing a Minnesota dairy board; proposing coding for new law in Minnesota Statutes, chapter 32.

Referred to the Committee on Agriculture and Rural Development.

Mr. Waldorf introduced—

S.F. No. 2729: A bill for an act relating to state government; creating a legislative commission on occupational regulation; revising state policy on occupational regulation; appropriating money; amending Minnesota Statutes 1990, section 214.001, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 3.

Referred to the Committee on Governmental Operations.

Mr. Marty introduced—

S.F. No. 2730: A bill for an act relating to traffic regulations; providing misdemeanor penalties for persons who refuse to submit to a chemical test to determine if the person is under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, section 169.121, subdivisions 1a, 3, and 3b; Minnesota Statutes 1991 Supplement, section 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Morse, Hottinger and Mondale introduced—

S.F. No. 2731: A bill for an act relating to higher education; providing for a public post-secondary student's bill of rights; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Ms. Piper, Mr. Benson, D.D. and Ms. Berglin introduced—

S.F. No. 2732: A bill for an act relating to public health; providing for the reporting and monitoring of certain licensed health care workers who are infected with the human immunodeficiency virus or hepatitis B virus; authorizing rulemaking for certain health-related licensing boards; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 144.054; 144.55, subdivision 3; 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 153.19, subdivision 1; and 214.12; proposing coding in Minnesota Statutes, chapters 150A; and 214.

Referred to the Committee on Health and Human Services.

Mrs. Benson, J.E. introduced—

S.F. No. 2733: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for capital planning for the St. Cloud state university library.

Referred to the Committee on Finance.

Mrs. Benson, J.E. introduced—

S.F. No. 2734: A bill for an act relating to state lands; authorizing a conveyance to the city of St. Cloud of certain land owned by the state as a part of St. Cloud State University.

Referred to the Committee on Environment and Natural Resources.

Mrs. Benson, J.E. introduced—

S.F. No. 2735: A bill for an act relating to capital improvements; authorizing bonds and appropriating money for land acquisition and structure demolition at St. Cloud state university.

Referred to the Committee on Finance.

Messrs. Morse, Hottinger, Price and Mrs. Benson, J.E. introduced—

S.F. No. 2736: A bill for an act relating to education; transferring functions of the higher education coordinating board; changing the membership, terms, and functions of the higher education board; allowing the merger of certain technical colleges by agreement; requiring the merger of certain technical and community colleges similarly located; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; 136E.01; 136E.02; 179A.10, subdivision 2; Laws 1991, chapter 356, article 9, section 8, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1990, sections 136A.01; 136A.02; 136A.03; Minnesota Statutes 1991 Supplement, sections 135A.061; 135A.50; 136A.04; 136E.03; 136E.04; 136E.05; Laws 1991, chapter 356, article 9, section 8, subdivisions 3 to 9; and sections 9 to 16.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Wednesday, March 18, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

SEVENTY-NINTH DAY

St. Paul, Minnesota, Wednesday, March 18, 1992

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Thomas R. Hendrickson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mses. Berglin, Piper and Mr. Johnson, D.J. were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

May 17, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

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

COMMISSIONER OF HUMAN RIGHTS

A. Frank Gallegos, 1200 Portland Avenue, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective May 17, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Judiciary.)

Warmest regards,
Arne H. Carlson, Governor

June 13, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

MEMBERS, REGIONAL TRANSIT BOARD

Sharon Feess, 5301 Hamilton Lane, Brooklyn Park, Hennepin County, Minnesota, has been appointed by the Metropolitan Council, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Ruth Franklin, 430 Rice Street, Anoka, Anoka County, Minnesota, has been appointed by the Metropolitan Council, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Thomas Workman, 7233 Pontiac Circle, Chanhassen, Carver County, Minnesota, has been appointed by the Metropolitan Council, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Don Scheel, 13404 South Fifth Street, Afton, Washington County, Minnesota, has been appointed by the Metropolitan Council, effective June 19, 1991, for a term expiring on the first Monday in January, 1995.

Maryann Campo, 512 West 53rd Street, Minneapolis, Hennepin County, Minnesota, has been appointed by the Metropolitan Council, effective June 19, 1991, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Metropolitan Affairs.)

Sincerely,
Mary E. Anderson
Chair

February 18, 1992

The Honorable Jerome Hughes
President of the Senate

Dear Senator Hughes:

The following appointment was made by the Metropolitan Council on February 13, 1992 and is hereby respectfully submitted to the Senate for confirmation as requested by law:

REGIONAL TRANSIT BOARD

Thomas Sather, 3740 Brighton Way South, Arden Hills, Ramsey County, Minnesota, for a term expiring on the first Monday in January, 1993.

(Referred to the Committee on Metropolitan Affairs.)

Sincerely,
Mary E. Anderson
Chair

March 13, 1992

The Honorable Dee Long
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 1992 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 1992	Date Filed 1992
1623		365	8:47 a.m. March 12	March 12

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

Pursuant to Joint Rule 3.02 (a), the Conference Committee on House File No. 155 was discharged after adjournment May 20, 1991 and the bill was laid on the table.

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.

I have the honor to announce that on March 16, 1992, House File No. 155 was taken from the table and new conferees were appointed.

Bishop, Kalis and Wagenius have been appointed as such committee on the part of the House.

House File No. 155 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 16, 1992

Mrs. Brataas moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 155, 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. 1416, 1744, 1761, 1818, 2377, 2397, 2465, 2551 and 2572.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 16, 1992

FIRST READING OF HOUSE BILLS

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

H.F. No. 1416: A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1990, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 45.025, subdivision 7.

Referred to the Committee on Commerce.

H.F. No. 1744: A bill for an act relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants; mandating a study of coordinated program survivorship benefit gaps.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1710, now on the Consent Calendar.

H.F. No. 1761: A bill for an act relating to alcoholic beverages; municipal liquor stores; specifying the conditions under which a municipality is required to hold a public hearing on the question of continued operation of a municipal liquor store; amending Minnesota Statutes 1990, section 340A.602.

Referred to the Committee on Commerce.

H.F. No. 1818: A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, sections 204B.45, subdivisions 1 and 2; and 365.51, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1668, now on the Consent Calendar.

H.F. No. 2377: A bill for an act relating to education; allowing a temporary school board structure for districts operating a cooperative secondary facility; amending Minnesota Statutes 1990, section 124.494, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1968.

H.F. No. 2397: A bill for an act relating to pipelines; regulating liquefied natural gas facilities; amending Minnesota Statutes 1990, sections 299J.02, subdivisions 12, 13, and by adding subdivisions; 299J.04; 299J.07, subdivision 1; 299J.10; 299J.12, subdivisions 2 and 3; and 299J.15.

Referred to the Committee on Transportation.

H.F. No. 2465: A bill for an act relating to veterans; clarifying procedures for searches of veterans' home residents' rooms or property; amending Minnesota Statutes 1990, sections 198.33, subdivision 1; and 365A.06, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2029, now on General Orders.

H.F. No. 2551: A bill for an act relating to corporations; regulating registrations of domestic corporations with the secretary of state; amending Minnesota Statutes 1990, section 302A.821, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2413.

H.F. No. 2572: A bill for an act relating to probate; altering the definition of successors; amending Minnesota Statutes 1990, sections 353A.02, subdivision 21; 524.1-201; 524.3-303; and 524.3-308.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2309.

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. 1878, 2107, 2430 and 2694. The motion prevailed.

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

S.F. No. 2511: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county.

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

Page 1, line 8, after the comma, insert "*subdivision 1,*"

Page 1, after line 19, insert:

"Sec. 2. [EXCHANGE OF REAL PROPERTY.]

Subdivision 1. [AUTHORIZATION.] Notwithstanding Minnesota Statutes, sections 94.341 to 94.348, except as they relate to approval by the land exchange board, and Minnesota Statutes, chapter 282, the state of Minnesota shall exchange without delay the real property described in subdivision 3 for the property of Thomas Godward of Aitkin, Minnesota, described in subdivision 4.

Subd. 2. [FORM OF EXCHANGE.] The exchange must be in a form approved by the attorney general. The conveyances must be for the mutual consideration of the lands received in the exchange.

Subd. 3. [STATE PROPERTY.] The state shall exchange the property

described in this subdivision for the property owned by Thomas Godward, which is described in subdivision 4.

W1/2 of the NE 1/4 of section 18-48-26; E1/2 of the SW 1/4 of the SE 1/4 of section 7-48-26; and the W1/2 of the SE 1/4 of section 13-48-27 less the South 66 feet, all in Aitkin county, containing 176 acres, more or less.

Subd. 4. [GODWARD PROPERTY.] Thomas Godward may exchange the real property described in this subdivision for the real property owned by the state and described in subdivision 3.

S1/2 of the NE 1/4, and the SE 1/4 of the NW 1/4 of section 33-48-24, less the railroad right of way and less 1 acre; and the N1/2 of the NW 1/4 of section 22-46-23, all in Aitkin county, containing 175 acres, more or less."

Page 1, line 20, delete "2" and insert "3"

Page 1, line 21, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 3, before the period, insert "; authorizing an exchange of real property"

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

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

S.F. No. 2001: A bill for an act relating to the environment; expanding the eligibility of cities and towns for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, section 115C.09, 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 115C.02, subdivision 8, is amended to read:

Subd. 8. [OWNER.] "Owner" means a person who holds title to, controls, or possesses an interest in a tank. "Owner" does not include a person who holds an interest in a tank solely for financial security, unless through foreclosure or other related actions the holder of a security interest has taken possession of the tank *and fails to take all necessary corrective action as a volunteer under section 115C.09*. The state or an agency of the state is not an owner solely because it holds title to a tank or to real property where the tank is located in trust for taxing districts as a result of forfeiture of title for nonpayment of taxes.

Sec. 2. Minnesota Statutes 1990, section 115C.021, is amended by adding a subdivision to read:

Subd. 4. [MORTGAGEES.] (a) *A mortgagee is not responsible for a release from a tank solely because the mortgagee becomes an owner of real property on which the tank is located through foreclosure of the mortgage or by receipt of the deed to the mortgaged property in lieu of foreclosure.*

(b) A mortgagee of real property where a tank is located or a holder of a security interest in a tank is not an operator of the tank for the purpose of this section solely because the mortgagee or holder has a capacity to influence the operation of the tank to protect its security interest.

Sec. 3. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b, is amended to read:

Subd. 3b. [VOLUNTEER ELIGIBILITY.] (a) Notwithstanding subdivisions 1 to 3, a person may apply to the board for partial reimbursement under subdivision 3 who:

- (1) is not a responsible person under section 115C.02;
- (2) holds legal or equitable title to the property where a release occurred; and
- (3) incurs reimbursable costs on or after May 23, 1989.

(b) A person eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

(c) The board may reduce the reimbursement to a person eligible under this subdivision if the person acquired legal or equitable title to the property from a responsible person who failed to comply with the provisions of subdivision 3, paragraph (f), *except that the board may not reduce the reimbursement to a mortgagee who acquires title to the property through foreclosure or receipt of a deed in lieu of foreclosure.*

Sec. 4. Minnesota Statutes 1990, section 115C.09, is amended by adding a subdivision to read:

Subd. 3d. [POLITICAL SUBDIVISION ELIGIBILITY.] (a) Notwithstanding the provisions of subdivisions 1 to 3, a political subdivision may apply to the board for partial reimbursement under subdivision 3 where the political subdivision:

- (1) is not a responsible person under section 115C.02; and*
 - (2) incurs reimbursable costs on or after the effective date of this section.*
- (b) A political subdivision eligible for reimbursement under this subdivision may only apply for reimbursement if the identified responsible person has failed to take a corrective action ordered by the commissioner.*

(c) A political subdivision eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

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 the environment; changing and adding provisions relating to the liability of and reimbursement to mortgagees and holders of other security interests for petroleum tank releases; expanding the eligibility of political subdivisions for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, sections

115C.02, subdivision 8; 115C.021, by adding a subdivision; and 115C.09, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b."

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. 2499: A bill for an act relating to economic development; authorizing the establishment of the Mille Lacs preservation and development board; providing for the designation of enterprise zones; proposing coding for new law in Minnesota Statutes, chapter 103F.

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

Page 1, lines 9, 11, and 16, delete "7" and insert "6"

Page 3, line 23, delete everything after "[PROCEDURE.]"

Page 3, delete lines 24 to 26

Page 3, line 27, delete "exceptions."

Page 4, lines 4 and 18, delete ", clauses (1) to (3)."

Page 4, line 10, delete everything after the comma

Page 4, line 11, delete "(3)."

Page 4, line 15, delete "CERTIFICATION" and insert "NOTIFICATION"

Pages 4 and 5, delete section 7

Page 5, line 7, delete "8" and insert "7"

Page 5, line 8, delete "7" and insert "6"

Amend the title as follows:

Page 1, line 2, delete "economic development" and insert "natural resources"

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete everything before "proposing"

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 304: A bill for an act relating to commerce; requiring local units of government to license the retail sale of cigarettes; providing for mandatory suspension of licenses for sales to minors; amending Minnesota Statutes 1990, section 461.12.

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

Delete everything after the enacting clause and insert:

"Section 1. [461.110] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 461.110 to 461.15.

Subd. 2. [LOCAL GOVERNMENT UNIT.] "Local government unit" means the town board, the governing body of a home rule charter or statutory city, or the county board.

Subd. 3. [TOBACCO.] "Tobacco" has the meaning given in section 609.685, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 461.12, is amended to read:

461.12 [MUNICIPAL CIGARETTE TOBACCO LICENSE.]

Subdivision 1. [AUTHORIZATION.] ~~The town board or governing body of each town and home rule charter and statutory city may~~ A town board or governing body of a home rule charter or statutory city may license and regulate the retail sale at retail of cigarettes, cigarette paper, or cigarette wrappers tobacco and fix the establish a license fee for sales. The county board shall license and regulate the sale of tobacco in unorganized territory and in unincorporated areas of a town or a home rule charter or statutory city if the town or city is not licensing or regulating retail tobacco sales. Each sales location, including each vending machine dispensing tobacco, must be licensed separately.

Subd. 2. [AUTHORIZED REGULATIONS.] ~~The town or city local government unit may charge a uniform annual fee for all sellers or different annual fees for different classes of sellers. The fee must be sufficient to recover the cost of enforcement of this section. It may provide for the punishment of any violation of the regulations, and make other provisions for the regulation of the sale of cigarettes tobacco within its jurisdiction as are permitted by law. The county board may make like provisions for licensing and regulating the sale of cigarettes in unorganized territory. The provisions of~~ A licensee's authority to sell tobacco at a specific location must be suspended for seven days if the licensee is found to have sold tobacco to a person under the age of 18 years at that location. A 30-day suspension must be imposed for a second violation occurring within a 12-month period at the sale location. A one-year suspension must be imposed for a third violation occurring within a 12-month period at the sale location. No suspension may take effect until the license holder has been given reasonable notice of an alleged violation and has been afforded an opportunity for a hearing before a person authorized by the governing body of the local government unit to conduct the hearing. A decision that a violation has occurred must be in writing and based on the record compiled at the hearing. A decision may be appealed to the district court of the county in which the sale occurred. This section ~~shall~~ does not apply to the licensing of ~~sale of~~ cigarettes tobacco sales in cars of common carriers.

Subd. 3. [ADMINISTRATIVE PENALTY.] The local government unit shall impose, on an individual who sells tobacco to a person under the age of 18 years, an administrative penalty of \$50. The individual must be given reasonable notice of an alleged violation and afforded an opportunity for a hearing before a person authorized by the governing body of the local government unit to conduct the hearing. A decision that a violation has occurred must be in writing and based on the record compiled at the hearing. A decision may be appealed to the district court of the county in which the sale occurred.

Subd. 4. [DEFENSE.] It is a defense to a violation under subdivision 2

or 3 of selling tobacco to a person under the age of 18 years, if the licensee or individual making the sale proves by a preponderance of the evidence that the licensee or individual reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale.

Subd. 5. [EFFECT ON LOCAL ORDINANCE.] This section does not preempt a local ordinance which provides for more restrictive regulation of retail tobacco sales.

Sec. 3. Minnesota Statutes 1990, section 461.13, is amended to read:

461.13 [~~CIGARETTE TOBACCO LICENSE FEES, APPORTIONMENT.~~]

The fees for licenses granted by the governing body of any municipality local government unit shall be for the benefit of the municipality local government unit. When a license is issued by the county board the fee shall be deposited in the county treasury and be credited to the county revenue fund.

Sec. 4. Minnesota Statutes 1990, section 461.15, is amended to read:

461.15 [~~BLIND PERSONS NOT TO PAY CIGARETTE TOBACCO LICENSES.~~]

No applicant for any license required of persons for the sale or manufacture of ~~cigarettes~~ tobacco shall be required to pay any fee to the state or any political subdivision thereof upon furnishing a doctor's certificate showing that the applicant is blind, as defined by Laws 1937, Chapter 324."

Delete the title and insert:

"A bill for an act relating to commerce; authorizing local units of government to license the retail sale of tobacco; requiring a county to license the retail sale of tobacco under certain conditions; providing for mandatory suspension of licenses for sales to minors; amending Minnesota Statutes 1990, sections 461.12; 461.13; and 461.15; proposing coding for new law in Minnesota Statutes, chapter 461."

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 2271: A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; setting property acquisition conditions; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 473.661, subdivision 1, is amended to read:

Subdivision 1. The ~~commissioner~~ commissioners shall, on or before the first day of July of each year, prepare a detailed budget of the needs of the corporation for the next fiscal year, specifying separately in said budget the amounts to be expended for acquisition of property, construction, payments

on bonded indebtedness, if any, operation, *noise mitigation*, and maintenance, respectively, subject only to such changes as the commissioners may from time to time approve.

Sec. 2. Minnesota Statutes 1990, section 473.661, is amended by adding a subdivision to read:

Subd. 4. [NOISE MITIGATION.] (a) According to the schedule in paragraph (b) of this subdivision, commission funds must be dedicated (1) to supplement the implementation of corrective land use management measures approved by the Federal Aviation Administration as part of the commission's Federal Aviation Regulations, part 150 noise compatibility program, (2) for acquisition of properties which lie within the boundary created by highway 62 on the north, Cedar Avenue on the west, highway 494 on the south, and existing commission properties on the east, (3) for soundproofing and accompanying air conditioning of residences, schools, and other public buildings when there is a demonstrated need because of aircraft noise, regardless of the location of the building to be soundproofed, or any combination of the three.

(b) The noise mitigation program described in paragraph (a) of this subdivision shall be funded by the commission from whatever source of funds according to the following schedule:

In 1993, an amount equal to 25 percent of the passenger facilities charges revenue amount budgeted by the commission for 1993;

In 1994, an amount equal to 30 percent of the passenger facilities charges revenue amount budgeted by the commission for 1994;

In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount budgeted by the commission for 1995; and

In 1996, an amount equal to 40 percent of the passenger facilities charges revenue amount budgeted by the commission for 1996.

(c) The commission's capital improvement projects, program, and plan must reflect the requirements of this section. As part of the commission's report to the legislature under section 473.621, subdivision 1a, the commission must provide a description and the status of each noise mitigation project implemented under this section.

(d) Within 60 days of submitting the commission's and the metropolitan council's report and recommendations on major airport planning to the legislature as required by section 473.618, the commission, with the assistance of its sound abatement advisory committee, shall make a recommendation to the legislature regarding appropriate funding levels for noise mitigation at Minneapolis-St. Paul International Airport and in the neighboring communities.

Sec. 3. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows:

Page 1, line 4, delete "setting property acquisition conditions" and insert "requiring a recommendation to the legislature"

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. 1877: A bill for an act relating to workers' compensation; regulating medical and rehabilitation benefits; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivision 15; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 9; 176.103, subdivisions 2, 3, and by adding a subdivision; 176.135, subdivisions 1, 1a, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; and 176.83, subdivisions 5, 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1990, sections 176.135, subdivision 3; and 176.136, 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 176.102, subdivision 1, is amended to read:

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

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

Sec. 2. 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 establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner shall annually review the fees and give notice of any adjustment in the State Register. An annual adjustment is not subject to chapter 14. 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. 3. 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. When the commissioner has received notice or information that an employee has sustained an injury that may be compensable under this chapter, the commissioner must notify the injured employee of the right to request a rehabilitation consultation to assist in return to work. The notice may be included in other information the commissioner gives to the employee under section 176.235, and must be highlighted in a way to draw the employee's attention to it. 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 filing of a copy of the employee's rehabilitation plan with the commissioner. 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 as required by this section requested under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide 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. 4. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] (a) 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.

(b) A rehabilitation consultant must file a progress report on the plan

with the commissioner six months after the plan is filed. The progress report must include a current estimate of the total cost and the expected duration of the plan. The commissioner may require additional progress reports. Based on the progress reports and available information, the commissioner may take actions including, but not limited to, redirecting, amending, suspending, or terminating the plan.

Sec. 5. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

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

- ~~(a)~~ (1) Cost of rehabilitation evaluation and preparation of a plan;
- ~~(b)~~ (2) Cost of all rehabilitation services and supplies necessary for implementation of the plan;
- ~~(c)~~ (3) 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)~~ (4) Reasonable costs of travel and custodial day care during the job interview process;
- ~~(e)~~ (5) 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)~~ (6) Any other expense agreed to be paid.

(b) 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.

(c) Except as provided in this paragraph, an employer is not liable for charges for services provided by a rehabilitation consultant or vendor unless the employer or its insurer receives a bill for those services within 45 days of the provision of the services. The commissioner or a compensation judge may order payment for charges not timely billed under this paragraph if the rehabilitation consultant or vendor can prove that the failure to submit the bill as required by this paragraph was due to circumstances beyond the control of the rehabilitation consultant or vendor. A rehabilitation consultant or vendor may not collect payment from any other person, including the employee, for bills that an employer is relieved from liability for paying under this paragraph.

Sec. 6. Minnesota Statutes 1990, section 176.103, subdivision 2, is amended to read:

Subd. 2. [SCOPE.] (a) The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the

treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. *Insurers and self-insurers must assist the commissioner in this monitoring by reporting to the commissioner cases of suspected excessive, inappropriate, or unnecessary treatment.* The commissioner shall report the results of the monitoring specific cases of suspected inappropriate, unnecessary, and excessive treatment to the medical services review board. ~~The commissioner may, either as a result of the monitoring or as a result of an investigation following receipt of a complaint, if the commissioner believes that any provider of health care services has violated any provision of this chapter or rules adopted under this chapter, initiate a contested case proceeding under chapter 14. In these cases, The medical services review board shall make the final decision following receipt of the report of an administrative law judge review those cases and make a determination of whether there is inappropriate, unnecessary, or excessive treatment based on its rules. The determination of the board is not subject to the contested case provisions of the administrative procedures act in chapter 14. An affected provider shall be given notice and an opportunity to be heard before the board prior to the board reporting its findings and conclusions. The board shall report its finding and conclusions to the commissioner. The findings and conclusions of the board are binding on the commissioner. The commissioner shall order a sanction if the board has concluded there was inappropriate, unnecessary, or excessive treatment. The commissioner shall adopt rules related to the sanctions to be imposed for inappropriate, unnecessary, or excessive treatment. The sanctions imposed may include, without limitation, a warning, a restriction on providing treatment, requiring preauthorization by the board for a plan of treatment, and suspension from receiving compensation for the provision of treatment under chapter 176.~~ The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section, but does not include the authority to make the initial determination of primary liability, except as provided by section 176.305.

Sec. 7. Minnesota Statutes 1990, section 176.103, is amended by adding a subdivision to read:

Subd. 2a. [APPEALS, EFFECT OF DECISION.] An order imposing sanctions on a health care provider under subdivision 2 may be appealed and has the effect provided by this subdivision.

A sanction becomes effective at the time the commissioner notifies the provider of the order of sanction. The notice shall advise the provider of the right to obtain review as provided in this subdivision. If mailed, the notice of order of sanction is deemed received three days after mailing to the last known address of the provider.

Within 30 days of receipt of a notice of order of sanction, a provider may request in writing a review by the commissioner of the order. 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 chapter 14.

Within 30 days following receipt of the commissioner's decision on review, a provider may petition the workers' compensation court of appeals for review. The petition shall be filed with the court, together with proof of service of a copy on the commissioner, and accompanied by the standard filing fee for appeals from decisions of compensation judges. No responsive pleading shall be required of the commissioner, and no fees shall be charged for the appearance of the commissioner in the matter.

The petition shall be captioned in the full name of the provider making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of sanction.

The filing of the petition shall not stay the sanction. The court may order a stay of the balance of the sanction if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. To the extent applicable, review shall be conducted according to the rules of the court for review of decisions of compensation judges.

The scope of the hearing shall be limited to the issues of whether the medical services review board's findings were supported by substantial evidence in view of the record before the board and whether the sanction imposed by the commissioner was authorized by law or rule.

The workers' compensation court of appeals may adopt rules necessary to implement this subdivision.

Sec. 8. Minnesota Statutes 1990, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever sub-committees it deems appropriate.

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 chiropractor, one hospital administrator, three physicians, one employee representative, one employer or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a penalty of \$200 per violation, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

(d) The board must adopt rules defining standards of treatment including inappropriate, unnecessary, or excessive treatment. The board may adopt by reference rules providing standards of treatment including those adopted by federal or state government agencies. The board shall adopt rules under this paragraph using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25.

Sec. 9. 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.

(b) 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.

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

(d) 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. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. 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)(e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) *Unless otherwise provided by this chapter, an employer may provide the treatment and supplies required to be provided by an employer by this chapter solely through a managed care plan certified under section 176.1351.*

Sec. 10. 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. 11. 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 charges are not submitted on the prescribed billing form; or*
- (4) 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) or (4), 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. 12. 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. 13. [176.1351] [MANAGED CARE.]

Subdivision 1. [APPLICATION.] Any person or entity, other than a workers' compensation insurer or an employer for its own employees, may make written application to the commissioner to have a plan certified that provides managed care to injured workers for injuries and diseases compensable under this chapter. Specifically, and without limitation, an entity licensed under chapter 62C or 62D or a preferred provider organization that is subject to chapter 72A is eligible for certification under this section. 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. A plan may be certified to provide services in a limited geographic area. The information shall include, but not be limited to:

(1) 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;

(2) a description of the places and manner of providing services under the plan; or

(3) 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 managed care plan if the commissioner finds that the plan:*

(1) proposes to provide services that meet uniform quality, continuity, and other treatment standards prescribed by the commissioner and 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;

(2) is reasonably geographically convenient to employees it serves;

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

(4) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate, excessive, or not medically necessary treatment, excludes participation in the plan by those individuals who violate these treatment standards;

(5) provides a procedure for the resolution of medical disputes;

(6) provides a program for early return to work and cooperative efforts by the workers, the employer, and the managed care plan to promote workplace health and safety consultative and other services;

(7) 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;

(8) authorizes workers to receive compensable treatment from a health care provider who is not a member of the managed care plan, if that provider maintains the employee's medical records and has a documented history of treatment with the employee and agrees to refer the employee to the managed care plan for any treatment that can only be furnished by another provider that the employee may require and if the health care provider agrees to comply with all the rules, terms, and conditions of the managed care plan;

(9) authorizes necessary emergency medical treatment for an injury provided by a health care provider not a part of the managed care plan;

(10) does not discriminate against or exclude from participation in the plan any category of health care provider and includes an adequate number of each category of health care providers to give workers convenient geographic accessibility to all categories of providers and adequate flexibility to choose health care providers from among those who provide services under the plan;

(11) provides an employee the right to change health care providers under the plan at least once; and

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

Subd. 3. [DISPUTE RESOLUTION.] An employee must exhaust the dispute resolution procedure of the certified managed care plan prior to filing a petition or otherwise seeking relief from the commissioner or a compensation judge on an issue related to managed care. If an employee has exhausted the dispute resolution procedure of the managed care plan on the issue of a rating for a disability, the employee may seek a disability rating from a health care provider outside of the managed care organization. The employer is liable for the reasonable fees of the outside provider as limited by the medical fee schedule adopted under this chapter.

Subd. 4. [TREATMENT STANDARDS.] The commissioner shall consider treatment standards developed by the health care profession affected, if any, before prescribing treatment standards under subdivision 2.

Subd. 5. [ACCESS TO ALL HEALTH CARE DISCIPLINES.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan that unfairly restricts direct access within the managed care plan to any health care provider profession. Direct access within the managed care plan is unfairly restricted if direct access is denied and the treatment or service sought is within the scope of practice of the profession to which direct access is sought and is appropriate under the standards of treatment adopted by the commissioner.

Subd. 6. [REVOCAION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan 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. 7. [RULES.] (a) The commissioner shall adopt rules necessary to implement this section.

(b) The commissioner shall adopt rules under this section using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. This paragraph applies to rules adopted pursuant to a notice of intention to adopt a rule without a public hearing published before July 1, 1995.

Sec. 14. 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, 1b, and 1c, 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. 15. 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, 1991, shall remain in effect until the commissioner adopts a new schedule by permanent rule. The commissioner

shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, hospital outpatient, and other health care provider treatment or service by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee schedule adopted by other federal or state agencies. The relative value fee schedule shall contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The commissioner shall adopt rules under this subdivision using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. The conversion factors for the relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by the percentage change computed under section 176.645, but without the annual cap provided by that section. 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. 16. 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 small hospital shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive. A "small hospital," for purposes of this paragraph, is a hospital which has 100 or fewer licensed beds.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or 1c, or paragraph (a) shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent of the prevailing charges 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. 17. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1c. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. No party may pay fees above the amount in the schedule.

Sec. 18. 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, 1a, 1b, or 1c;

(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.

Sec. 19. 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.

Sec. 20. 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 or 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. 21. 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 chapter.

Sec. 22. [MANDATED REDUCTIONS.]

(a) *As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by 5.7 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of 5.7 percent on your current policy premium."*

(b) *No rate increases may be filed between April 1, 1992, and April 1, 1993.*

(c) *The commissioner of commerce shall 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, 1993.*

(d) *The rate reduction mandated in this act is in addition to any other reduction required by law.*

Sec. 23. [UTILIZATION OF HIGH TECHNOLOGY MEDICAL PROCEDURES.]

The commissioner of labor and industry shall appoint a committee to study the utilization of high technology medical procedures for treatment of injuries under Minnesota Statutes, chapter 176. The committee must include physicians, hospital representatives, medical device manufacturers, purchasers, consumers, and ethicists. The study must specifically examine excessive use of technology. The commissioner shall report the results of the study together with any proposals for legislation to the legislature by January 30, 1993.

Sec. 24. [REPEALER.]

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

Sec. 25. [EFFECTIVE DATE.]

Section 22 of this act and the rulemaking authority granted to the commissioner of labor and industry and the medical services review board by sections 6, 8, and 13 are effective the day following final enactment. The rest of this act is effective October 1, 1992."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating medical and rehabilitation benefits; providing penalties; amending Minnesota Statutes 1990, sections 176.102, subdivisions 1, 2, 4, 6, and 9; 176.103,

subdivisions 2, 3, and by adding a subdivision; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; and 176.83, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1990, sections 176.135, subdivision 3; and 176.136, subdivision 5.”

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 1878: A bill for an act relating to workers' compensation; regulating insurance; regulating the assigned risk plan; creating a health and safety fund; providing for fraud prevention; requiring the department to assist employees; providing for accident prevention and injury reduction; eliminating subsequent injury registration and reimbursement; appropriating money; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.102, subdivision 3a; 176.103, subdivision 3; 176.106, subdivision 6; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.138; 176.139, subdivision 2; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.84, subdivision 2; 176A.03, by adding a subdivision; and 182.666, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1990, section 176.131.

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

Delete everything after the enacting clause and insert:

“Section 1. [79.081] [MANDATORY DEDUCTIBLES.]

Subdivision 1. [PREMIUM REDUCTION.] Each insurer, including the assigned risk plan, issuing a policy of insurance, must offer an employer the option to agree to pay an amount per claim selected by the employer and specified in the policy toward the total of any claim payable under chapter 176. The amount of premium to be paid by an employer who selects a policy with a deductible shall be reduced based upon a rating schedule or rating plan filed with and approved by the commissioner of commerce. Administration of claims shall remain with the insurer as provided in the terms and conditions of the policy.

Subd. 2. [PROCEDURE FOR PAYING DEDUCTIBLE.] If an insured employer chooses a deductible, the insured employer is liable for the amount of the deductible for benefits paid for each compensable claim of work injury suffered by an employee. The insurer shall pay the entire cost of the employee's loss and then seek reimbursement from the insured employer for the deductible. The payment or nonpayment of deductible amounts by the insured employer to the insurer shall be treated under the policy insuring the liability for workers' compensation in the same manner as payment or nonpayment of premiums.

Subd. 3. [CREDIT RISK; EXCEPTION.] An insurer is not required to offer a deductible to an employer if, as a result of a credit investigation, the insurer determines that the employer is not sufficiently financially stable

to be responsible for the payment of deductible amounts.

Subd. 4. [REPORTING REQUIREMENT.] The existence of an insurance contract with a deductible or the fact of payment as a result of a deductible does not affect the requirement of an employer to report an injury or death to an insurer or the commissioner of labor and industry.

Sec. 2. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

Subd. 4a. [MEDICAL COST CONTAINMENT.] The assigned risk plan must utilize managed care plans certified under chapter 176 to the extent possible. In addition, the assigned risk plan must implement a medical cost containment program. The program must, at a minimum, include:

(1) billings review to determine if claims are compensable under chapter 176;

(2) utilization of cost management specialists familiar with billing practice guidelines;

(3) review of treatment to determine if it is reasonable and necessary and has a reasonable chance to cure and relieve the employee's injury;

(4) a system to reduce billed charges to the maximum permitted by law or rule;

(5) review of medical care utilization; and

(6) reporting of health care providers suspected of providing unnecessary or excessive services to the commissioner of labor and industry.

Sec. 3. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

Subd. 4b. [GROUPS.] The assigned risk plan must create a program that attempts to group employers in the same or similar risk classification for purposes of group premium underwriting and claims management. The assigned risk plan must engage in extensive safety consultation with group members to reduce the extent and severity of injuries of group members. The consultation should include on-site inspections and specific recommendations as to safety improvements.

Sec. 4. 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. 5. 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 assigned risk plan review board may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 6. [79.253] [ASSIGNED RISK SAFETY FUND.]

Subdivision 1. [CREATION OF FUND.] There is created the assigned risk safety fund as a separate account in the special compensation fund in the state treasury. Income earned by funds in the account must be credited to the account. Principal and income of the account are annually appropriated to the commissioner of labor and industry and must be used for grants and loans under this section.

Subd. 2. [USE OF FUNDS; SAFETY ASSESSMENTS.] The assigned risk plan shall, through persons under contract with the plan, perform on-site surveys of employers insured by the assigned risk plan and recommend practices and equipment to employers designed to reduce the risk of injury to employees. The recommendations may include that the employer form a joint labor-management safety committee. The plan shall generally survey employers in the following priority:

(1) employers with poor safety records for their industry based on their premium modification factor or other factors;

(2) employers whose workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a premium rate in the top 25 percent of premium rates for all classes; and

(3) all other employers.

Subd. 3. [INCENTIVES AND PENALTIES.] The assigned risk plan shall develop a premium rating system subject to approval by the commissioner of commerce that provides a reduction in premium rates for employers that follow safety recommendations made under this section and an increase in rates for employers that do not. The system must be sensitive to the economic ability of an employer to implement particular recommendations.

Subd. 4. [GRANTS AND LOANS.] The commissioner of labor and industry may make grants or loans to employers for the cost of implementing safety recommendations made under this section.

Subd. 5. [RULES.] The commissioner of labor and industry may adopt rules necessary to implement this section.

Sec. 7. [79.255] [WORKERS' COMPENSATION INSURANCE; LESSORS OF EMPLOYEES.]

Subdivision 1. [REGISTRATION REQUIRED.] A corporation, partnership, sole proprietorship, or other business entity which provides staff, personnel, or employees to be employed in this state to other businesses pursuant to a lease arrangement or agreement shall, before becoming eligible to be issued a policy of workers' compensation insurance or becoming eligible to secure coverage on a multiple coordinated policies basis, register with the commissioner of commerce. The registration shall:

(1) identify the name of the lessor;

(2) identify the address of the principal place of business of the lessor and the address of each office it maintains within this state;

(3) include the lessor's taxpayer or employer identification number;

(4) include a list by jurisdiction of each and every name that the lessor has operated under in the preceding five years including any alternative names and names of predecessors and, if known, successor business entities;

(5) include a list of each person or entity who owns a five percent or greater interest in the employee leasing business at the time of application and a list of each person who formerly owned a five percent or greater interest in the employee leasing company or its predecessors, successors, or alter egos in the preceding five years; and

(6) include a list of each and every cancellation or nonrenewal or workers' compensation insurance which has been issued to the lessor or any predecessor in the preceding five years. The list shall include the policy or certificate number, name of insurer or other provider of coverage, date of cancellation, and reason for cancellation. If coverage has not been canceled or nonrenewed, the registration shall include a sworn affidavit signed by the chief executive officer of the lessor attesting to that fact.

Subd. 2. [INELIGIBILITY TO REGISTER.] Any lessor of employees whose workers' compensation insurance has been terminated within the past five years in any jurisdiction due to a determination that an employee leasing arrangement was being utilized to avoid premium otherwise payable by lessees shall be ineligible to register with the commissioner or to remain registered, if previously registered.

Subd. 3. [NOTICE OF CHANGE.] Persons filing registration statements pursuant to this section shall notify the commissioner as to any changes in any information required to be provided under this section.

Subd. 4. [LIST MAINTAINED.] The commissioner shall maintain a list of those lessors of employees who are registered with the commissioner.

Subd. 5. [FORMS OF REGISTRATION.] The commissioner may prescribe forms necessary to promote the efficient administration of this action.

Subd. 6. [ADVERTISING PROHIBITION.] No organization registered under this section shall directly or indirectly reference that registration in any advertisements, marketing material, or publications.

Subd. 7. [CRIMINAL PENALTIES.] Any corporation, partnership, sole proprietorship, or other form of business entity and any officer, director, general partner, agent, representative, or employee of theirs who knowingly utilizes or participates in any employee leasing agreement, arrangement, or mechanism for the purpose of depriving one or more insurers of premium otherwise properly payable is guilty of a misdemeanor.

Subd. 8. [APPLICATION OF SECTION.] Any lessor of employees that was doing business in this state prior to enactment of this section shall register with the commissioner within 30 days of the effective date of this section.

Sec. 8. Minnesota Statutes 1990, section 176.106, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] At a conference, if the insurer does not provide a specific reason for nonpayment of the items in dispute, the commissioner

may assess a penalty of \$300 payable to the ~~special compensation~~ *assigned risk safety fund*, unless it is determined that the reason for the lack of specificity was the failure of the insurer, upon timely request, to receive information necessary to remedy the lack of specificity. This penalty is in addition to any penalty that may be applicable for nonpayment.

Sec. 9. Minnesota Statutes 1990, section 176.129, subdivision 10, is amended to read:

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty *payable to the assigned risk safety fund* of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Sec. 10. Minnesota Statutes 1990, section 176.130, subdivision 8, is amended to read:

Subd. 8. [PENALTIES; WOOD MILLS.] If the assessment provided for in this chapter is not paid on or before February 15 of the year when due and payable, the commissioner may impose penalties as provided in section 176.129, subdivision 10, *payable to the assigned risk safety fund*.

Sec. 11. Minnesota Statutes 1990, section 176.130, subdivision 9, is amended to read:

Subd. 9. [FALSE REPORTS.] Any person or entity that, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, makes a false report under this section shall pay to the ~~special compensation~~ *assigned risk safety fund*, in addition to the assessment, a penalty of 50 percent of the amount of the assessment. A person who knowingly makes or signs a false report, or who knowingly submits other false information, is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1990, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

(a) Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release in writing, by telephone discussion, or otherwise of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, and the date of discussions with medical providers about medical data shall be confirmed, in writing to the person or organization that collected or currently possesses the data. Written medical data that exists at the time the request is made shall be provided by the collector or possessor within seven working days of receiving the request. Nonwritten medical data may be provided, but is not required to be provided, by the collector or possessor. In all cases of a request for the data or discussion with a medical provider about the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made or a written confirmation of the discussion. This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested

by the requester.

(b) Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

(c) The commissioner may impose a penalty of up to \$200 payable to the ~~special compensation~~ *assigned risk safety* fund against a party who does not timely release data as required in this section. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. This paragraph applies only to written medical data which exists at the time the request is made.

(d) Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim. The data may not be used by the health insurer for any other purpose whatsoever and must be destroyed after verification that there has been no duplicative billing. Any person who is the subject of the data which is used in a manner not allowed by this section has a cause of action for actual damages and punitive damages for a minimum of \$5,000.

Sec. 13. Minnesota Statutes 1990, section 176.139, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO POST; PENALTY.] The commissioner may assess a penalty of \$300 against the employer payable to the ~~special compensation~~ *assigned risk safety* fund if, after notice from the commissioner, the employer violates the posting requirement of this section.

Sec. 14. Minnesota Statutes 1990, section 176.181, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] ~~Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of \$750, if the number of uninsured employees is less than five and for a penalty of \$1,500 if the number of such uninsured employees is five or more. If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of \$2,500, if the number of uninsured employees is less than five, and for a penalty of \$5,000 if the number of uninsured employees is five or more. If the employer continues noncompliance, the employer is liable for five times the lawful premium for compensation insurance for such employer for the period the employer fails to comply with such provisions, commencing ten days after notice has been served upon the employer by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify that fact to the attorney general.~~

Upon receipt of such certification the attorney general shall forthwith commence and prosecute the action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of the employer's duty, the attorney general, upon request of the commissioner, may proceed against the employer in any court having jurisdiction for an order restraining the employer from having any person in employment at any time when the employer is not complying with the provisions of subdivision 2 or for an order compelling the employer to comply with subdivision 2. (a) If the commissioner has reason to believe that an employer is in violation of subdivision 2, he may issue an order directing the employer to comply with subdivision 2, to refrain from employing any person at any time without complying with subdivision 2, and to pay a penalty of up to \$1,000 per employee per month during which the employer was not in compliance.

(b) An employer shall have ten working days to contest such an order by filing a written objection with the commissioner, stating in detail its reasons for objecting. If the commissioner does not receive an objection within ten working days, the commissioner's order shall constitute a final order not subject to further review, and violation of that order shall be enforceable by way of civil contempt proceedings in district court. If the commissioner does receive a timely objection, the commissioner shall refer the matter to the office of administrative hearings for an expedited hearing before a compensation judge. The compensation judge shall issue a decision either affirming, reversing, or modifying the commissioner's order within ten days of the close of the hearing. If the compensation judge affirms the commissioner's order, the compensation judge may order the employer to pay an additional penalty if the employer continued to employ persons without complying with subdivision 2 while the proceedings were pending.

(c) All penalties assessed under this subdivision shall be paid into the state treasury and credited to the assigned risk safety fund. Penalties assessed under this section shall constitute a lien for government services pursuant to section 514.67, on all the employer's property and shall be subject to the provisions of the revenue recovery act.

(d) For purposes of this subdivision, the term "employer" includes any owners or officers of a corporation who direct and control the activities of employees.

Sec. 15. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 8. [DATA SHARING.] (a) The departments of labor and industry, jobs and training, and revenue are authorized to share information regarding the employment status of individuals, including but not limited to payroll and withholding and income tax information, and may use that information for purposes consistent with this section.

(b) The commissioner is authorized to inspect and to order the production of all payroll and other business records and documents of any alleged employer in order to determine the employment status of persons and compliance with this section. If any person or employer refuses to comply with such an order, the commissioner may apply to the district court of the county where the person or employer is located for an order compelling production of the documents.

Sec. 16. Minnesota Statutes 1990, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. The commissioner shall assess a penalty to the employer of \$1,000 payable to the ~~special compensation~~ *assigned risk safety* fund, if the information is not reported or is falsely reported.

Neither the state nor any governmental subdivision of the state shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 17. Minnesota Statutes 1990, section 176.183, is amended to read:

176.183 [UNINSURED AND SELF-INSURED EMPLOYERS; BENEFITS TO EMPLOYEES AND DEPENDENTS; LIABILITY OF EMPLOYER.]

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 *any owners or officers of corporations a corporation who have legal direct and control; either individually or jointly with another or others, of the payment of wages the activities of employees.* An action to recover ~~the moneys benefits paid~~ 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.

Subd. 2. *Prior to issuing an order against the special compensation fund to pay compensation benefits to an employee, a compensation judge shall first make findings regarding the insurance status of the employer and its liability. The special compensation fund shall not be found liable in the absence of a finding of liability against the employer. Where the liable employer is found to be not insured or self-insured as provided for in this chapter, the compensation judge shall assess and order the employer to pay all compensation benefits to which the employee is entitled and a penalty in the amount of 50 percent of all compensation benefits ordered to be paid.*

An award issued against an employer shall constitute a lien for government services pursuant to section 514.67 on all property of the employer and shall be subject to the provisions of the revenue recovery act. The special compensation fund may enforce the terms of that award in the same manner as a district court judgment. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivision 1. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivision 1, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation. *Where payment is issued pursuant to a petition for a temporary order, the terms of any resulting order shall have the same status and be governed by the same provisions as an award issued pursuant to subdivision 2.*

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Subd. 4. If the commissioner authorizes the special fund to commence payment ~~under this section~~ *without the issuance of a temporary order*, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 18. Minnesota Statutes 1990, section 176.185, subdivision 5a, is amended to read:

Subd. 5a. [PENALTY FOR IMPROPER WITHHOLDING.] An employer who violates subdivision 5 after notice from the commissioner is subject to a penalty of 200 percent of the amount withheld from or charged the employee. The penalty shall be imposed by the commissioner. Fifty percent of this penalty is payable to the ~~special compensation~~ *assigned risk safety* fund and 50 percent is payable to the employee.

Sec. 19. Minnesota Statutes 1990, section 176.194, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] The penalties for violations of clauses (1) through (6) are as follows:

1st through 5th violation of each paragraph	written warning
6th through 10th violation of each paragraph	\$2,500 per violation in excess of five
11th through 30th violation of each paragraph	\$5,000 per violation in excess of ten

For violations of clauses (7) and (8), the penalties are:

1st through 5th violation of each paragraph	\$2,500 per violation
6th through 30th violation of each paragraph	\$5,000 per violation in excess of five

The penalties under this section may be imposed in addition to other penalties under this chapter that might apply for the same violation. The penalties under this section are assessed by the commissioner and are payable to the ~~special compensation~~ *assigned risk safety* fund. A party may object to the penalty and request a formal hearing under section 176.85. If an entity has more than 30 violations within any 12-month period, in addition to the monetary penalties provided, the commissioner may refer the matter to the commissioner of commerce with recommendation for suspension or revocation of the entity's (a) license to write workers' compensation insurance; (b) license to administer claims on behalf of a self-insured, the assigned risk plan, or the Minnesota insurance guaranty association; (c) authority to self-insure; or (d) license to adjust claims. The commissioner of commerce shall follow the procedures specified in section 176.195.

Sec. 20. Minnesota Statutes 1990, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional *illegal*, misleading, deceptive, or fraudulent practices, or conduct which are subject to the penalties under this section.

Sec. 21. Minnesota Statutes 1990, section 176.221, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] If the employer or insurer does not begin payment of compensation within the time limit prescribed under subdivision 1 or 8, the commissioner may assess a penalty, payable to the ~~special compensation~~ *assigned risk safety* fund, which shall be a percentage of the amount of compensation to which the employee is entitled to receive up to the date compensation payment is made.

The amount of penalty shall be determined as follows:

Numbers of days late	Penalty
1 - 15	25 percent of compensation due, not to exceed \$375,

16 - 30	50 percent of compensation due, not to exceed \$1,140,
31 - 60	75 percent of compensation due, not to exceed \$2,878,
61 or more	100 percent of compensation due, not to exceed \$3,838.

The penalty under this section is in addition to any penalty otherwise provided by statute.

Sec. 22. Minnesota Statutes 1990, section 176.221, subdivision 3a, is amended to read:

Subd. 3a. [PENALTY.] In lieu of any other penalty under this section, the commissioner may assess a penalty of up to \$1,000 *payable to the assigned risk safety fund* for each instance in which an employer or insurer does not pay benefits or file a notice of denial of liability within the time limits prescribed under this section.

Sec. 23. [176.222] [REPORT ON COLLECTION AND ASSESSMENT OF FINES AND PENALTIES.]

The commissioner shall annually, by January 30, submit a report to the legislature detailing the assessment and collection of fines and penalties under this chapter on a fiscal year basis for the immediately preceding fiscal year and for as many prior years as the data is available.

Sec. 24. Minnesota Statutes 1990, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] If an employer, insurer, physician, chiropractor, or other health provider fails to file with the commissioner any report required by this section in the manner and within the time limitations prescribed, or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each failure.

The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.

Penalties collected by the state under this subdivision shall be paid into the ~~special compensation~~ *assigned risk safety fund*.

Sec. 25. Minnesota Statutes 1990, section 176.261, is amended to read:

176.261 [EMPLOYEE OF COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY MAY ACT FOR AND ADVISE A PARTY TO A PROCEEDING.]

When requested by an employer or an employee or an employee's dependent, the commissioner of the department of labor and industry may designate one or more of the division employees to advise that party of rights under this chapter, and as far as possible to assist in adjusting differences between the parties. The person so designated may appear in person in any proceedings under this chapter as the representative or adviser of the party. In such case, the party need not be represented by an attorney at law.

Prior to advising an employee or employer to seek assistance outside of the department, the department must refer employers and employees seeking advice or requesting assistance in resolving a dispute to an attorney or rehabilitation and medical specialist employed by the department, whichever is appropriate.

The department must make efforts to settle problems of employees and employers by contacting third parties, including attorneys, insurers, and health care providers, on behalf of employers and employees and using the department's persuasion to settle issues quickly and cooperatively.

Sec. 26. [176.87] [FRAUD UNIT.]

The department shall establish a workers' compensation fraud unit to investigate fraudulent and other illegal practices of health care providers, employers, insurers, attorneys, employees, and others related to workers' compensation. The unit shall review files of the department and may conduct field investigations. If the department determines there is illegal activity, the commissioner must refer the case to the attorney general or other appropriate prosecuting authority. The attorney general and other prosecuting authorities must give high priority to reviewing and prosecuting cases referred to them by the commissioner under this section.

The attorney general shall train personnel of the department of labor and industry in effective investigative practices and in the requisites for successful prosecution of illegal activity under chapter 176.

Sec. 27. 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. 28. [DEPARTMENT STUDY; DATA SHARING ON UNINSURED EMPLOYERS.]

The commissioner of labor and industry shall study the issue of whether there is data in the possession of other state or private entities that would assist the department in identifying employers that are not complying with the insurance requirements of Minnesota Statutes, chapter 176. The department shall report the results of its studies to the legislature by January 30, 1993, together with proposed legislation that would enable the department to obtain that information.

Sec. 29. [REPETITIVE MOTION STUDY; DEPARTMENT OF EMPLOYEE RELATIONS.]

The department of employee relations shall assess the number and severity of work-related repetitive motion injuries incurred by state employees. The assessment shall include carpal tunnel and related injuries. The department shall report the results of the assessment to the legislature by January 30, 1993.

In addition, the department shall develop a plan for a pilot project to reduce repetitive motion injuries for which it shall seek funding from the 1993 legislature.

Sec. 30. [INDEPENDENT CONTRACTORS; LEASED EMPLOYEES.]

The commissioner of labor and industry shall study the practice of employee leasing and declaration of independent contract status as devices to evade or reduce premiums for workers' compensation insurance.

The commissioner shall submit a report to the legislature by January 15, 1993, with the results of the study and proposals for legislative action.

Sec. 31. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by one percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include the rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of one percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1, 1993.

(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, 1993.

(d) The rate reduction mandated in this act is in addition to any other reduction required by law.

Sec. 32. [REPEALER.]

Minnesota Statutes 1990, section 176.131, is repealed. The special compensation fund shall not reimburse an employer under Minnesota Statutes, section 176.131, for a subsequent injury occurring after June 30, 1992. The special compensation fund shall continue to reimburse employers for subsequent injuries occurring prior to July 1, 1992, and the commissioner of labor and industry shall continue to assess for those reimbursements under Minnesota Statutes, section 176.129.

Sec. 33. [EFFECTIVE DATE.]

Section 31 is effective the day following final enactment retroactive to April 1, 1992. Section 1 is effective for policies insuring liability for workers' compensation that are renewed, issued, delivered, or issued for delivery on or after October 1, 1992. The rest of this act is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating insurance; regulating the assigned risk plan; creating a health and safety fund; providing

for fraud prevention; requiring the department of labor and industry to assist employees; providing for accident prevention and injury reduction; eliminating subsequent injury registration and reimbursement; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.106, subdivision 6; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.138; 176.139, subdivision 2; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, section 176.131."

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. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 2107: A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; creating a health and safety fund; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 4, 7, and 9; 79A.04, subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 9, and 11; 176.103, subdivision 3; 176.106, subdivision 6, and by adding a subdivision; 176.111, subdivision 18; 176.129, subdivision 10; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1, and by adding a subdivision; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivisions 1 and 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivision 4; 176.221, subdivisions 3, 3a, and 7; 176.231, subdivision 10; 176.261; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79A; 175; and 176; repealing Minnesota Statutes 1990, sections 175.007; 176.136, subdivision 5; and 176.191, subdivisions 5, 6, 7, and 8, and Minnesota Statutes, chapters 79, 175A, and 176.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 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.~~ *For the purpose of this computation, holiday pay and vacation pay and the days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively.* 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.

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] (a) "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, and the policy covers injuries to farm laborers under clause (1).

(b) 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. 3. 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.~~ *For the purpose of this computation, holiday pay and vacation pay and the days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively.* The weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed 66 2/3 percent of the product of the daily wage times the number of days normally worked, 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. 4. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is 66-2/3 percent of the weekly wage at the time of injury.

~~(H) provided that, during the year commencing on October 1, 1979 1992, and each year thereafter, commencing on October 1,;~~

~~(1) the maximum weekly compensation payable is 110 percent of the statewide average weekly wage for the period ending December 31, of the preceding year-; and~~

~~(2) 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 for the period ending December 31 of the preceding year or the injured employee's actual 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 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.

Sec. 5. 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. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a the maximum compensation equal to the statewide average weekly wage rate for temporary total compensation.

(b) Except as provided under subdivision 3k, temporary partial compensation may be paid only while the employee is employed, earning less than the employee's weekly wage at the time of the injury, and the reduced wage the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid for more than 260 weeks, or after 450 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. 6. Minnesota Statutes 1990, section 176.101, subdivision 3f, is amended to read:

Subd. 3f. [LIGHT-DUTY JOB PRIOR TO THE END OF TEMPORARY TOTAL COMPENSATION.] *(a) If the employer offers a job prior to the end of the 90-day period referred to in subdivision 3e, paragraph (a) and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon the end of temporary total compensation under subdivision 3e, paragraph (a), the provisions of subdivision 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.*

(b) If an employee accepts a job under paragraph (a), begins work at that job, and is subsequently unemployed at that job because of economic conditions, or the employee is medically unable to continue at that job because of the injury, or because of the job's seasonal nature, the employee shall receive temporary total compensation, subject to the provisions of subdivision 3e or paragraph (a), as may be applicable. In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner determines that rehabilitation is unnecessary. Further rehabilitation, if considered necessary by the commissioner, is subject to section 176.102.

Sec. 7. 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 employed 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. If the employee is employed during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 66-2/3 percent of the difference between the employee's weekly wage at the time of injury and the weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the 260-week or 450-week limitations provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.

Sec. 8. 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. 9. 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 or after October 1, 1977 ~~or thereafter~~ but prior to October 1, 1992, under this section shall exceed six 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 percent. *No adjustment increase made on or after October 1, 1992, under this section shall exceed 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 four percent.*

Sec. 10. 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, 1992, the initial adjustment under subdivision 1 is deferred until the second anniversary of the date of the injury.*

Sec. 11. [176.646] [VIOLATIONS OF SAFETY PROVISIONS; PENALTY.]

If injury is caused by the failure of the employer to comply with a statute or a lawful order of the department, compensation and death benefits under this chapter shall be increased 15 percent, but the total increase may not exceed \$15,000. The failure of an employer to reasonably enforce compliance by employees with the statute or order of the department constitutes a failure by the employer to comply with the statute or order.

Sec. 12. [176.647] [FAILURE TO USE SAFETY DEVICES; DECREASED COMPENSATION.]

If injury is caused by the failure of the employee to use safety devices that are provided in accordance with a statute or lawful order of the department, that have been adequately maintained by the employer, and the use of which is reasonably enforced by the employer, the compensation and death benefit provided under this chapter shall be reduced 15 percent, but the total reduction may not exceed \$15,000.

Sec. 13. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this article and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by 7.4 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of 7.4 percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1, 1993.

(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, 1993.

(d) The reduction in premiums mandated by this section is in addition to those mandated by other law.

Sec. 14. [EFFECTIVE DATE.]

This article is effective October 1, 1992, except that section 2 is effective January 1, 1993.

ARTICLE 2

Section 1. 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 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 (c).

(b) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed *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)~~ (c) 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.

(d) An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on

cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than \$6,500 per case unless the additional fees or wages are approved under subdivision 2.

Sec. 2. Minnesota Statutes 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. 3. 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. 4. 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 included 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, except as provided in paragraph (c). The schedule may provide that minor impairments receive a zero rating.

(c) If an injury for which there is objective medical evidence is not rated by the permanent partial disability schedule, the unrated injury must be assigned and compensated for at the rating for the most similar condition that is rated.

Sec. 5. [176.1311] [SECOND INJURY FUND DATA.]

No person shall, directly or indirectly, provide the names of persons who have registered a preexisting physical impairment under section 176.131 to an employer with the intent of assisting the employer to discriminate against those persons who have so registered with respect to hiring or other terms and conditions of employment.

A violation of this section is a gross misdemeanor.

Sec. 6. [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. 7. [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; or

(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 may not 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. 8. [176.307] [COMPENSATION JUDGES; BLOCK SYSTEM.]

The chief administrative law judge must assign workers' compensation cases to compensation judges using a block system type of assignment that, among other things, ensures that a case will remain with the same judge from commencement to conclusion unless the judge is removed from the case by exercise of a legal right of a party or by incapacity. The block system must be the principal means of assigning cases, but it may be supplemented by other systems of case assignment to ensure that cases are timely decided.

Sec. 9. [176.325] [CERTIFIED QUESTION.]

Subdivision 1. [WHEN CERTIFIED.] The chief administrative law judge may certify a question of workers' compensation law to the workers' compensation court of appeals as important and doubtful under the following circumstances:

(1) all parties to the case have stipulated in writing to the facts;

(2) the issue to be resolved is a question of workers' compensation law that has not been resolved by the workers' compensation court of appeals or the Minnesota supreme court; and

(3) all parties request that the matter be resolved by certification to the workers' compensation court of appeals as an important and doubtful question.

Subd. 2. [SUPREME COURT REVIEW.] Review by the supreme court of any decision of the workers' compensation court of appeals under this section shall be pursuant to section 176.471.

Subd. 3. [EXPEDITED DECISION.] It is the legislature's intent that the workers' compensation court of appeals and the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of the workers' compensation court of appeals or the Minnesota supreme court regarding submission of legal memoranda, oral argument, or other matters, and after the participation of amicus curiae, should the workers' compensation court of appeals or Minnesota supreme court consider such participation advisable.

Subd. 4. [NOTICE.] The chief administrative law judge shall notify all persons who request to be notified of a certification under this section.

Sec. 10. Minnesota Statutes 1990, section 176.421, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR TAKING; GROUNDS.] When a petition has been heard before a compensation judge, within 30 days after a party in interest has been served with notice of an award or disallowance of compensation, or other order affecting the merits of the case, the party may appeal to the workers' compensation court of appeals on any of the following grounds:

- (1) the order does not conform with this chapter; or
- (2) the compensation judge committed an error of law; or
- (3) the findings of fact and order were *clearly erroneous and unsupported* by substantial evidence in view of the entire record as submitted; or
- (4) the findings of fact and order were procured by fraud, or coercion, or other improper conduct of a party in interest.

Sec. 11. 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:

- (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. 12. Minnesota Statutes 1990, section 480B.01, subdivision 1, is amended to read:

Subdivision 1. [JUDICIAL VACANCIES.] If a judge of the district court or workers' compensation court of appeals dies, resigns, retires, or is removed during the judge's term of office, or if a new district or workers' compensation court of appeals judgeship is created, the resulting vacancy must be filled by the governor as provided in this section.

Sec. 13. Minnesota Statutes 1990, section 480B.01, subdivision 10, is amended to read:

Subd. 10. [NOTICE TO THE PUBLIC.] Upon receiving notice from the governor that a judicial vacancy has occurred or will occur on a specified date, the chair shall provide notice of the following information:

- (1) the office that is or will be vacant;
- (2) that applications from qualified persons or on behalf of qualified persons are being accepted by the commission;
- (3) that application forms may be obtained from the governor or the commission at a named address; and

(4) that application forms must be returned to the commission by a named date.

For a district court vacancy, the notice must be made available to attorney associations in the judicial district where the vacancy has occurred or will occur and to at least one newspaper of general circulation in each county in the district. For a workers' compensation court of appeals vacancy, the notice must be given to state attorney associations and all forms of the public media.

Sec. 14. Minnesota Statutes 1990, section 609.52, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(b) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(d) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

(e) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were not medically necessary; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(a) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(b) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(c) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof, or any lessee of the property who sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining the property or fails or refuses to return the property to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so

as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property with knowledge that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection, or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law Number 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) intentionally takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner.

Sec. 15. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF CHIEF ADMINISTRATIVE LAW JUDGE.]

The chief administrative law judge shall reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of the hearings in less than

two hours, 75 percent in less than four hours, and nearly all of the hearings in less than one day. Before January 1, 1994, the chief administrative law judge shall report to the legislature on the success in meeting these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 16. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this article and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by one percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of one percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1, 1993.

(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, 1993.

(d) The rate reduction mandated in this article is in addition to any other reduction required by law.

Sec. 17. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment. Section 16 is effective the day following final enactment retroactive to April 1, 1992. The rest of the article is effective July 1, 1992.

ARTICLE 3

Section 1. [79.081] [MANDATORY DEDUCTIBLES.]

Subdivision 1. [PREMIUM REDUCTION.] Each insurer, including the assigned risk plan, issuing a policy of insurance, must offer an employer the option to agree to pay an amount per claim selected by the employer and specified in the policy toward the total of any claim payable under chapter 176. The amount of premium to be paid by an employer who selects a policy with a deductible shall be reduced based upon a rating schedule or rating plan filed with and approved by the commissioner of commerce. Administration of claims shall remain with the insurer as provided in the terms and conditions of the policy.

Subd. 2. [PROCEDURE FOR PAYING DEDUCTIBLE.] If an insured employer chooses a deductible, the insured employer is liable for the amount of the deductible for benefits paid for each compensable claim of work injury

suffered by an employee. The insurer shall pay the entire cost of the employee's loss and then seek reimbursement from the insured employer for the deductible. The payment or nonpayment of deductible amounts by the insured employer to the insurer shall be treated under the policy insuring the liability for workers' compensation in the same manner as payment or nonpayment of premiums.

Subd. 3. [CREDIT RISK; EXCEPTION.] An insurer is not required to offer a deductible to an employer if, as a result of a credit investigation, the insurer determines that the employer is not sufficiently financially stable to be responsible for the payment of deductible amounts.

Subd. 4. [REPORTING REQUIREMENT.] The existence of an insurance contract with a deductible or the fact of payment as a result of a deductible does not affect the requirement of an employer to report an injury or death to an insurer or the commissioner of labor and industry.

Sec. 2. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

Subd. 4a. [MEDICAL COST CONTAINMENT.] The assigned risk plan must utilize managed care plans certified under chapter 176 to the extent possible. In addition, the assigned risk plan must implement a medical cost containment program. The program must, at a minimum, include:

(1) billings review to determine if claims are compensable under chapter 176;

(2) utilization of cost management specialists familiar with billing practice guidelines;

(3) review of treatment to determine if it is reasonable and necessary and has a reasonable chance to cure and relieve the employee's injury;

(4) a system to reduce billed charges to the maximum permitted by law or rule;

(5) review of medical care utilization; and

(6) reporting of health care providers suspected of providing unnecessary or excessive services to the commissioner of labor and industry.

Sec. 3. Minnesota Statutes 1990, section 79.251, is amended by adding a subdivision to read:

Subd. 4b. [GROUPS.] The assigned risk plan must create a program that attempts to group employers in the same or similar risk classification for purposes of group premium underwriting and claims management. The assigned risk plan must engage in extensive safety consultation with group members to reduce the extent and severity of injuries of group members. The consultation should include on-site inspections and specific recommendations as to safety improvements.

Sec. 4. 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. 5. 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 assigned risk plan review board may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 6. [79.253] [ASSIGNED RISK SAFETY FUND.]

Subdivision 1. [CREATION OF FUND.] *There is created the assigned risk safety fund as a separate account in the special compensation fund in the state treasury. Income earned by funds in the account must be credited to the account. Principal and income of the account are annually appropriated to the commissioner of labor and industry and must be used for grants and loans under this section.*

Subd. 2. [USE OF FUNDS; SAFETY ASSESSMENTS.] *The assigned risk plan shall, through persons under contract with the plan, perform on-site surveys of employers insured by the assigned risk plan and recommend practices and equipment to employers designed to reduce the risk of injury to employees. The recommendations may include that the employer form a joint labor-management safety committee. The plan shall generally survey employers in the following priority:*

(1) employers with poor safety records for their industry based on their premium modification factor or other factors;

(2) employers whose workers' compensation premium classification assigned to the greatest portion of the payroll for the employer has a premium rate in the top 25 percent of premium rates for all classes; and

(3) all other employers.

Subd. 3. [INCENTIVES AND PENALTIES.] *The assigned risk plan shall develop a premium rating system subject to approval by the commissioner of commerce that provides a reduction in premium rates for employers that follow safety recommendations made under this section and an increase in rates for employers that do not. The system must be sensitive to the economic ability of an employer to implement particular recommendations.*

Subd. 4. [GRANTS AND LOANS.] *The commissioner of labor and industry may make grants or loans to employers for the cost of implementing safety recommendations made under this section.*

Subd. 5. [RULES.] *The commissioner of labor and industry may adopt rules necessary to implement this section.*

Sec. 7. [79.255] [WORKERS' COMPENSATION INSURANCE; LESSORS OF EMPLOYEES.]

Subdivision 1. [REGISTRATION REQUIRED.] A corporation, partnership, sole proprietorship, or other business entity which provides staff, personnel, or employees to be employed in this state to other businesses pursuant to a lease arrangement or agreement shall, before becoming eligible to be issued a policy of workers' compensation insurance or becoming eligible to secure coverage on a multiple coordinated policies basis, register with the commissioner of commerce. The registration shall:

- (1) identify the name of the lessor;*
- (2) identify the address of the principal place of business of the lessor and the address of each office it maintains within this state;*
- (3) include the lessor's taxpayer or employer identification number;*
- (4) include a list by jurisdiction of each and every name that the lessor has operated under in the preceding five years including any alternative names and names of predecessors and, if known, successor business entities;*
- (5) include a list of each person or entity who owns a five percent or greater interest in the employee leasing business at the time of application and a list of each person who formerly owned a five percent or greater interest in the employee leasing company or its predecessors, successors, or alter egos in the preceding five years; and*
- (6) include a list of each and every cancellation or nonrenewal of workers' compensation insurance which has been issued to the lessor or any predecessor in the preceding five years. The list shall include the policy or certificate number, name of insurer or other provider of coverage, date of cancellation, and reason for cancellation. If coverage has not been canceled or nonrenewed, the registration shall include a sworn affidavit signed by the chief executive officer of the lessor attesting to that fact.*

Subd. 2. [INELIGIBILITY TO REGISTER.] Any lessor of employees whose workers' compensation insurance has been terminated within the past five years in any jurisdiction due to a determination that an employee leasing arrangement was being utilized to avoid premium otherwise payable by lessees shall be ineligible to register with the commissioner or to remain registered, if previously registered.

Subd. 3. [NOTICE OF CHANGE.] Persons filing registration statements pursuant to this section shall notify the commissioner as to any changes in any information required to be provided under this section.

Subd. 4. [LIST MAINTAINED.] The commissioner shall maintain a list of those lessors of employees who are registered with the commissioner.

Subd. 5. [FORMS OF REGISTRATION.] The commissioner may prescribe forms necessary to promote the efficient administration of this action.

Subd. 6. [ADVERTISING PROHIBITION.] No organization registered under this section shall directly or indirectly reference that registration in any advertisements, marketing material, or publications.

Subd. 7. [CRIMINAL PENALTIES.] Any corporation, partnership, sole proprietorship, or other form of business entity and any officer, director, general partner, agent, representative, or employee of theirs who knowingly utilizes or participates in any employee leasing agreement, arrangement, or mechanism for the purpose of depriving one or more insurers of premium otherwise properly payable is guilty of a misdemeanor.

Subd. 8. [APPLICATION OF SECTION.] Any lessor of employees that was doing business in this state prior to enactment of this section shall register with the commissioner within 30 days of the effective date of this section.

Sec. 8. Minnesota Statutes 1990, section 176.106, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] At a conference, if the insurer does not provide a specific reason for nonpayment of the items in dispute, the commissioner may assess a penalty of \$300 payable to the ~~special compensation~~ *assigned risk safety fund*, unless it is determined that the reason for the lack of specificity was the failure of the insurer, upon timely request, to receive information necessary to remedy the lack of specificity. This penalty is in addition to any penalty that may be applicable for nonpayment.

Sec. 9. Minnesota Statutes 1990, section 176.129, subdivision 10, is amended to read:

Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty *payable to the assigned risk safety fund* of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.

Sec. 10. Minnesota Statutes 1990, section 176.130, subdivision 8, is amended to read:

Subd. 8. [PENALTIES; WOOD MILLS.] If the assessment provided for in this chapter is not paid on or before February 15 of the year when due and payable, the commissioner may impose penalties as provided in section 176.129, subdivision 10, *payable to the assigned risk safety fund*.

Sec. 11. Minnesota Statutes 1990, section 176.130, subdivision 9, is amended to read:

Subd. 9. [FALSE REPORTS.] Any person or entity that, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, makes a false report under this section shall pay to the ~~special compensation~~ *assigned risk safety fund*, in addition to the assessment, a penalty of 50 percent of the amount of the assessment. A person who knowingly makes or signs a false report, or who knowingly submits other false information, is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1990, section 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

(a) Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release in writing, by telephone discussion, or otherwise of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, and the date of discussions with medical providers about medical data shall be confirmed, in writing to the person or organization that collected or currently possesses the data. Written medical data that exists at the time the request is made shall be provided by the collector or possessor within seven working days

of receiving the request. Nonwritten medical data may be provided, but is not required to be provided, by the collector or possessor. In all cases of a request for the data or discussion with a medical provider about the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made or a written confirmation of the discussion. This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested by the requester.

(b) Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

(c) The commissioner may impose a penalty of up to \$200 payable to the ~~special compensation~~ *assigned risk safety* fund against a party who does not timely release data as required in this section. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. This paragraph applies only to written medical data which exists at the time the request is made.

(d) Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim. The data may not be used by the health insurer for any other purpose whatsoever and must be destroyed after verification that there has been no duplicative billing. Any person who is the subject of the data which is used in a manner not allowed by this section has a cause of action for actual damages and punitive damages for a minimum of \$5,000.

Sec. 13. Minnesota Statutes 1990, section 176.139, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO POST; PENALTY.] The commissioner may assess a penalty of \$300 against the employer payable to the ~~special compensation~~ *assigned risk safety* fund if, after notice from the commissioner, the employer violates the posting requirement of this section.

Sec. 14. Minnesota Statutes 1990, section 176.181, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] ~~Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of \$750, if the number of uninsured employees is less than five and for a penalty of \$1,500 if the number of such uninsured employees is five or more. If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of \$2,500, if the number of uninsured employees is less than five, and for a penalty of \$5,000 if the number of uninsured employees is~~

five or more. If the employer continues noncompliance, the employer is liable for five times the lawful premium for compensation insurance for such employer for the period the employer fails to comply with such provisions, commencing ten days after notice has been served upon the employer by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify that fact to the attorney general. Upon receipt of such certification the attorney general shall forthwith commence and prosecute the action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of the employer's duty, the attorney general, upon request of the commissioner, may proceed against the employer in any court having jurisdiction for an order restraining the employer from having any person in employment at any time when the employer is not complying with the provisions of subdivision 2 or for an order compelling the employer to comply with subdivision 2. (a) If the commissioner has reason to believe that an employer is in violation of subdivision 2, he may issue an order directing the employer to comply with subdivision 2, to refrain from employing any person at any time without complying with subdivision 2, and to pay a penalty of up to \$1,000 per employee per month during which the employer was not in compliance.

(b) An employer shall have ten working days to contest such an order by filing a written objection with the commissioner, stating in detail its reasons for objecting. If the commissioner does not receive an objection within ten working days, the commissioner's order shall constitute a final order not subject to further review, and violation of that order shall be enforceable by way of civil contempt proceedings in district court. If the commissioner does receive a timely objection, the commissioner shall refer the matter to the office of administrative hearings for an expedited hearing before a compensation judge. The compensation judge shall issue a decision either affirming, reversing, or modifying the commissioner's order within ten days of the close of the hearing. If the compensation judge affirms the commissioner's order, the compensation judge may order the employer to pay an additional penalty if the employer continued to employ persons without complying with subdivision 2 while the proceedings were pending.

(c) All penalties assessed under this subdivision shall be paid into the state treasury and credited to the assigned risk safety fund. Penalties assessed under this section shall constitute a lien for government services pursuant to section 514.67, on all the employer's property and shall be subject to the provisions of the revenue recovery act.

(d) For purposes of this subdivision, the term "employer" includes any owners or officers of a corporation who direct and control the activities of employees.

Sec. 15. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 8. [DATA SHARING.] (a) The departments of labor and industry, jobs and training, and revenue are authorized to share information regarding the employment status of individuals, including but not limited to payroll and withholding and income tax information, and may use that information

for purposes consistent with this section.

(b) *The commissioner is authorized to inspect and to order the production of all payroll and other business records and documents of any alleged employer in order to determine the employment status of persons and compliance with this section. If any person or employer refuses to comply with such an order, the commissioner may apply to the district court of the county where the person or employer is located for an order compelling production of the documents.*

Sec. 16. Minnesota Statutes 1990, section 176.182, is amended to read:

176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]

Every state or local licensing agency shall withhold the issuance or renewal of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and dates of coverage or the permit to self-insure. The commissioner shall assess a penalty to the employer of \$1,000 payable to the ~~special compensation~~ assigned risk safety fund, if the information is not reported or is falsely reported.

Neither the state nor any governmental subdivision of the state shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.

Sec. 17. Minnesota Statutes 1990, section 176.183, is amended to read:

176.183 [UNINSURED AND SELF-INSURED EMPLOYERS; BENEFITS TO EMPLOYEES AND DEPENDENTS; LIABILITY OF EMPLOYER.]

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 ~~any owners or officers of corporations a corporation who have legal direct and control, either individually or jointly with another or others, of the payment of wages the activities of employees.~~ An action to recover the ~~moneys benefits paid~~ 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.

Subd. 2. *Prior to issuing an order against the special compensation fund to pay compensation benefits to an employee, a compensation judge shall first make findings regarding the insurance status of the employer and its liability. The special compensation fund shall not be found liable in the absence of a finding of liability against the employer. Where the liable employer is found to be not insured or self-insured as provided for in this chapter, the compensation judge shall assess and order the employer to pay all compensation benefits to which the employee is entitled and a penalty in the amount of 50 percent of all compensation benefits ordered to be paid. An award issued against an employer shall constitute a lien for government services pursuant to section 514.67 on all property of the employer and shall be subject to the provisions of the revenue recovery act. The special compensation fund may enforce the terms of that award in the same manner as a district court judgment.* The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivision 1. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivision 1, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation. *Where payment is issued pursuant to a petition for a temporary order, the terms of any resulting order shall have the same status and be governed by the same provisions as an award issued pursuant to subdivision 2.*

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Subd. 4. If the commissioner authorizes the special fund to commence payment ~~under this section~~ *without the issuance of a temporary order*, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 18. Minnesota Statutes 1990, section 176.185, subdivision 5a, is amended to read:

Subd. 5a. [PENALTY FOR IMPROPER WITHHOLDING.] An employer who violates subdivision 5 after notice from the commissioner is subject to a penalty of 200 percent of the amount withheld from or charged the employee. The penalty shall be imposed by the commissioner. Fifty percent of this penalty is payable to the ~~special compensation~~ assigned risk safety fund and 50 percent is payable to the employee.

Sec. 19. Minnesota Statutes 1990, section 176.194, subdivision 4, is amended to read:

Subd. 4. [PENALTIES.] The penalties for violations of clauses (1) through (6) are as follows:

1st through 5th violation of each paragraph	written warning
6th through 10th violation of each paragraph	\$2,500 per violation in excess of five
11th through 30th violation of each paragraph	\$5,000 per violation in excess of ten

For violations of clauses (7) and (8), the penalties are:

1st through 5th violation of each paragraph	\$2,500 per violation
6th through 30th violation of each paragraph	\$5,000 per violation in excess of five

The penalties under this section may be imposed in addition to other penalties under this chapter that might apply for the same violation. The penalties under this section are assessed by the commissioner and are payable to the ~~special compensation~~ assigned risk safety fund. A party may object to the penalty and request a formal hearing under section 176.85. If an entity has more than 30 violations within any 12-month period, in addition to the monetary penalties provided, the commissioner may refer the matter to the commissioner of commerce with recommendation for suspension or revocation of the entity's (a) license to write workers' compensation insurance; (b) license to administer claims on behalf of a self-insured, the assigned risk plan, or the Minnesota insurance guaranty association; (c) authority to self-insure; or (d) license to adjust claims. The commissioner of commerce shall follow the procedures specified in section 176.195.

Sec. 20. Minnesota Statutes 1990, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional *illegal*, misleading, deceptive, or fraudulent practices, or conduct which are subject to the penalties under this section.

Sec. 21. Minnesota Statutes 1990, section 176.221, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] If the employer or insurer does not begin payment of compensation within the time limit prescribed under subdivision 1 or 8, the commissioner may assess a penalty, payable to the ~~special compensation~~ assigned risk safety fund, which shall be a percentage of the amount of

compensation to which the employee is entitled to receive up to the date compensation payment is made.

The amount of penalty shall be determined as follows:

Numbers of days late	Penalty
1 - 15	25 percent of compensation due, not to exceed \$375,
16 - 30	50 percent of compensation due, not to exceed \$1,140,
31 - 60	75 percent of compensation due, not to exceed \$2,878,
61 or more	100 percent of compensation due, not to exceed \$3,838.

The penalty under this section is in addition to any penalty otherwise provided by statute.

Sec. 22. Minnesota Statutes 1990, section 176.221, subdivision 3a, is amended to read:

Subd. 3a. [PENALTY.] In lieu of any other penalty under this section, the commissioner may assess a penalty of up to \$1,000 *payable to the assigned risk safety fund* for each instance in which an employer or insurer does not pay benefits or file a notice of denial of liability within the time limits prescribed under this section.

Sec. 23. [176.222] [REPORT ON COLLECTION AND ASSESSMENT OF FINES AND PENALTIES.]

The commissioner shall annually, by January 30, submit a report to the legislature detailing the assessment and collection of fines and penalties under this chapter on a fiscal year basis for the immediately preceding fiscal year and for as many prior years as the data is available.

Sec. 24. Minnesota Statutes 1990, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] If an employer, insurer, physician, chiropractor, or other health provider fails to file with the commissioner any report required by this section in the manner and within the time limitations prescribed, or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each failure.

The imposition of a penalty may be appealed to a compensation judge within 30 days of notice of the penalty.

Penalties collected by the state under this subdivision shall be paid into the ~~special compensation~~ *assigned risk safety fund*.

Sec. 25. Minnesota Statutes 1990, section 176.261, is amended to read:

176.261 [EMPLOYEE OF COMMISSIONER OF THE DEPARTMENT

OF LABOR AND INDUSTRY MAY ACT FOR AND ADVISE A PARTY TO A PROCEEDING.]

When requested by an employer or an employee or an employee's dependent, the commissioner of the department of labor and industry may designate one or more of the division employees to advise that party of rights under this chapter, and as far as possible to assist in adjusting differences between the parties. The person so designated may appear in person in any proceedings under this chapter as the representative or adviser of the party. In such case, the party need not be represented by an attorney at law.

Prior to advising an employee or employer to seek assistance outside of the department, the department must refer employers and employees seeking advice or requesting assistance in resolving a dispute to an attorney or rehabilitation and medical specialist employed by the department, whichever is appropriate.

The department must make efforts to settle problems of employees and employers by contacting third parties, including attorneys, insurers, and health care providers, on behalf of employers and employees and using the department's persuasion to settle issues quickly and cooperatively.

Sec. 26. [176.87] [FRAUD UNIT.]

The department shall establish a workers' compensation fraud unit to investigate fraudulent and other illegal practices of health care providers, employers, insurers, attorneys, employees, and others related to workers' compensation. The unit shall review files of the department and may conduct field investigations. If the department determines there is illegal activity, the commissioner must refer the case to the attorney general or other appropriate prosecuting authority. The attorney general and other prosecuting authorities must give high priority to reviewing and prosecuting cases referred to them by the commissioner under this section.

The attorney general shall train personnel of the department of labor and industry in effective investigative practices and in the requisites for successful prosecution of illegal activity under chapter 176.

Sec. 27. 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. 28. [DEPARTMENT STUDY; DATA SHARING ON UNINSURED EMPLOYERS.]

The commissioner of labor and industry shall study the issue of whether there is data in the possession of other state or private entities that would assist the department in identifying employers that are not complying with the insurance requirements of Minnesota Statutes, chapter 176. The department shall report the results of its studies to the legislature by January 30, 1993, together with proposed legislation that would enable the department to obtain that information.

Sec. 29. [REPETITIVE MOTION STUDY; DEPARTMENT OF EMPLOYEE RELATIONS.]

The department of employee relations shall assess the number and severity of work-related repetitive motion injuries incurred by state employees. The assessment shall include carpal tunnel and related injuries. The department shall report the results of the assessment to the legislature by January 30, 1993.

In addition, the department shall develop a plan for a pilot project to reduce repetitive motion injuries for which it shall seek funding from the 1993 legislature.

Sec. 30. [INDEPENDENT CONTRACTORS; LEASED EMPLOYEES.]

The commissioner of labor and industry shall study the practice of employee leasing and declaration of independent contract status as devices to evade or reduce premiums for workers' compensation insurance.

The commissioner shall submit a report to the legislature by January 15, 1993, with the results of the study and proposals for legislative action.

Sec. 31. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this article and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by one percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include the rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of one percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1, 1993.

(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, 1993.

(d) The rate reduction mandated in this article is in addition to any other reduction required by law.

Sec. 32. [REPEALER.]

Minnesota Statutes 1990, section 176.131, is repealed. The special compensation fund shall not reimburse an employer under Minnesota Statutes, section 176.131, for a subsequent injury occurring after June 30, 1992. The special compensation fund shall continue to reimburse employers for subsequent injuries occurring prior to July 1, 1992, and the commissioner of labor and industry shall continue to assess for those reimbursements under Minnesota Statutes, section 176.129.

Sec. 33. [EFFECTIVE DATE.]

Section 31 is effective the day following final enactment retroactive to April 1, 1992. Section 1 is effective for policies insuring liability for workers' compensation that are renewed, issued, delivered, or issued for delivery on or after October 1, 1992. The rest of this article is effective July 1, 1992.

ARTICLE 4

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

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

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

Sec. 2. 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 establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner shall annually review the fees and give notice of any adjustment in the State Register. An annual adjustment is not subject to chapter 14. By March 1, 1993, the commissioner shall report to the legislature on the status of the commission'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. 3. 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. When the commissioner has received notice or information that an employee has sustained an injury that may be compensable under this chapter, the commissioner must notify the injured employee of the right to request a rehabilitation consultation to assist in return to work. The notice may be included in other information the commissioner gives to the employee under section 176.235, and must be highlighted in a way to draw the employee's attention to it. 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 filing of a copy of the employee's rehabilitation plan with the commissioner. 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 as required by this section requested under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide 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. 4. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] (a) 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.

(b) A rehabilitation consultant must file a progress report on the plan with the commissioner six months after the plan is filed. The progress report must include a current estimate of the total cost and the expected duration of the plan. The commissioner may require additional progress reports. Based on the progress reports and available information, the commissioner may take actions including, but not limited to, redirecting, amending, suspending, or terminating the plan.

Sec. 5. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

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

- (a) (1) Cost of rehabilitation evaluation and preparation of a plan;
- (a) (2) Cost of all rehabilitation services and supplies necessary for implementation of the plan;
- (a) (3) 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;
- (a) (4) Reasonable costs of travel and custodial day care during the job interview process;
- (a) (5) 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
- (a) (6) Any other expense agreed to be paid.

(b) *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.*

(c) *Except as provided in this paragraph, an employer is not liable for charges for services provided by a rehabilitation consultant or vendor unless the employer or its insurer receives a bill for those services within 45 days of the provision of the services. The commissioner or a compensation judge may order payment for charges not timely billed under this paragraph if the rehabilitation consultant or vendor can prove that the failure to submit the bill as required by this paragraph was due to circumstances beyond the control of the rehabilitation consultant or vendor. A rehabilitation consultant or vendor may not collect payment from any other person, including the employee, for bills that an employer is relieved from liability for paying under this paragraph.*

Sec. 6. Minnesota Statutes 1990, section 176.103, subdivision 2, is amended to read:

Subd. 2. [SCOPE.] (a) The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. *Insurers and self-insurers must assist the commissioner in this monitoring by reporting to the commissioner cases of suspected excessive, inappropriate, or unnecessary treatment.* The commissioner shall report ~~the results of the monitoring~~ *specific cases of suspected inappropriate, unnecessary, and excessive treatment* to the medical services review board.

The commissioner may, either as a result of the monitoring or as a result of an investigation following receipt of a complaint, if the commissioner believes that any provider of health care services has violated any provision of this chapter or rules adopted under this chapter, initiate a contested case proceeding under chapter 14. In these cases, The medical services review board shall make the final decision following receipt of the report of an administrative law judge review those cases and make a determination of whether there is inappropriate, unnecessary, or excessive treatment based on its rules. The determination of the board is not subject to the contested case provisions of the administrative procedures act in chapter 14. An affected provider shall be given notice and an opportunity to be heard before the board prior to the board reporting its findings and conclusions. The board shall report its finding and conclusions to the commissioner. The findings and conclusions of the board are binding on the commissioner. The commissioner shall order a sanction if the board has concluded there was inappropriate, unnecessary, or excessive treatment. The commissioner shall adopt rules related to the sanctions to be imposed for inappropriate, unnecessary, or excessive treatment. The sanctions imposed may include, without limitation, a warning, a restriction on providing treatment, requiring preauthorization by the board for a plan of treatment, and suspension from receiving compensation for the provision of treatment under chapter 176. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section, but does not include the authority to make the initial determination of primary liability, except as provided by section 176.305.

Sec. 7. Minnesota Statutes 1990, section 176.103, is amended by adding a subdivision to read:

Subd. 2a. [APPEALS, EFFECT OF DECISION.] An order imposing sanctions on a health care provider under subdivision 2 may be appealed and has the effect provided by this subdivision.

A sanction becomes effective at the time the commissioner notifies the provider of the order of sanction. The notice shall advise the provider of the right to obtain review as provided in this subdivision. If mailed, the notice of order of sanction is deemed received three days after mailing to the last known address of the provider.

Within 30 days of receipt of a notice of order of sanction, a provider may request in writing a review by the commissioner of the order. 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 chapter 14.

Within 30 days following receipt of the commissioner's decision on review, a provider may petition the workers' compensation court of appeals for review. The petition shall be filed with the court, together with proof of service of a copy on the commissioner, and accompanied by the standard filing fee for appeals from decisions of compensation judges. No responsive pleading shall be required of the commissioner, and no fees shall be charged

for the appearance of the commissioner in the matter.

The petition shall be captioned in the full name of the provider making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of sanction.

The filing of the petition shall not stay the sanction. The court may order a stay of the balance of the sanction if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. To the extent applicable, review shall be conducted according to the rules of the court for review of decisions of compensation judges.

The scope of the hearing shall be limited to the issues of whether the medical services review board's findings were supported by substantial evidence in view of the record before the board and whether the sanction imposed by the commissioner was authorized by law or rule.

The workers' compensation court of appeals may adopt rules necessary to implement this subdivision.

Sec. 8. Minnesota Statutes 1990, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever subcommittees it deems appropriate.

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 chiropractor, one hospital administrator, three physicians, one employee representative, one employer or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a penalty of \$200 per violation, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

(d) The board must adopt rules defining standards of treatment including inappropriate, unnecessary, or excessive treatment. The board may adopt by reference rules providing standards of treatment including those adopted by federal or state government agencies. The board shall adopt rules under this paragraph using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25.

Sec. 9. 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.

(b) 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.

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

(d) 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. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. 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)~~ (e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) *Unless otherwise provided by this chapter, an employer may provide the treatment and supplies required to be provided by an employer by this chapter solely through a managed care plan certified under section 176.1351.*

Sec. 10. 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. 11. 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 charges are not submitted on the prescribed billing form; or*
- (4) 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) or (4), 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. 12. 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. 13. [176.1351] [MANAGED CARE.]

Subdivision 1. [APPLICATION.] Any person or entity, other than a workers' compensation insurer or an employer for its own employees, may make written application to the commissioner to have a plan certified that provides managed care to injured workers for injuries and diseases compensable under this chapter. Specifically, and without limitation, an entity licensed under chapter 62C or 62D or a preferred provider organization that is subject to chapter 72A is eligible for certification under this section. 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. A plan may be certified to provide services in a limited geographic area. The information shall include, but not be limited to:

(1) 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;

(2) a description of the places and manner of providing services under the plan; or

(3) 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 managed care plan if the commissioner finds that the plan:

(1) proposes to provide services that meet uniform quality, continuity, and other treatment standards prescribed by the commissioner and 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;

(2) is reasonably geographically convenient to employees it serves;

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

(4) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate, excessive, or not medically necessary treatment, excludes participation in the plan by those individuals who violate these treatment standards;

- (5) provides a procedure for the resolution of medical disputes;
- (6) provides a program for early return to work and cooperative efforts by the workers, the employer, and the managed care plan to promote workplace health and safety consultative and other services;
- (7) 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;
- (8) authorizes workers to receive compensable treatment from a health care provider who is not a member of the managed care plan, if that provider maintains the employee's medical records and has a documented history of treatment with the employee and agrees to refer the employee to the managed care plan for any treatment that can only be furnished by another provider that the employee may require and if the health care provider agrees to comply with all the rules, terms, and conditions of the managed care plan;
- (9) authorizes necessary emergency medical treatment for an injury provided by a health care provider not a part of the managed care plan;
- (10) does not discriminate against or exclude from participation in the plan any category of health care provider and includes an adequate number of each category of health care providers to give workers convenient geographic accessibility to all categories of providers and adequate flexibility to choose health care providers from among those who provide services under the plan;
- (11) provides an employee the right to change health care providers under the plan at least once; and
- (12) complies with any other requirement the commissioner determines is necessary to provide quality medical services and health care to injured workers.

Subd. 3. [DISPUTE RESOLUTION.] An employee must exhaust the dispute resolution procedure of the certified managed care plan prior to filing a petition or otherwise seeking relief from the commissioner or a compensation judge on an issue related to managed care. If an employee has exhausted the dispute resolution procedure of the managed care plan on the issue of a rating for a disability, the employee may seek a disability rating from a health care provider outside of the managed care organization. The employer is liable for the reasonable fees of the outside provider as limited by the medical fee schedule adopted under this chapter.

Subd. 4. [TREATMENT STANDARDS.] The commissioner shall consider treatment standards developed by the health care profession affected, if any, before prescribing treatment standards under subdivision 2.

Subd. 5. [ACCESS TO ALL HEALTH CARE DISCIPLINES.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan that unfairly restricts direct access within the managed care plan to any health care provider profession. Direct access within the managed care plan is unfairly restricted if direct access is denied and the treatment or service sought is within the scope of practice of the profession to which direct access is sought and is appropriate under the standards of treatment adopted by the commissioner.

Subd. 6. [REVOCACTION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan 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. 7. [RULES.] (a) The commissioner shall adopt rules necessary to implement this section.

(b) The commissioner shall adopt rules under this section using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. This paragraph applies to rules adopted pursuant to a notice of intention to adopt a rule without a public hearing published before July 1, 1995.

Sec. 14. 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, 1b, and 1c, 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. 15. 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, 1991, shall remain in effect until the commissioner adopts a new schedule by permanent rule. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, hospital outpatient, and other health care provider treatment or service by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value fee schedule adopted for the federal Medicare program or a relative value fee schedule adopted by other federal or state agencies. The relative value fee schedule shall contain reasonable classifications including, but not limited to, classifications that differentiate among health

care provider disciplines. The commissioner shall adopt rules under this subdivision using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. The conversion factors for the relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by the percentage change computed under section 176.645, but without the annual cap provided by that section. 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. 16. 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 small hospital shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive. A "small hospital," for purposes of this paragraph, is a hospital which has 100 or fewer licensed beds.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or 1c, or paragraph (a) shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent of the prevailing charges 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. 17. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1c. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. No party may pay fees above the amount in the schedule.

Sec. 18. 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, 1a, 1b, or 1c;

(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.

Sec. 19. 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.

Sec. 20. 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 or 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. 21. 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 chapter.

Sec. 22. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this article and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by 5.7 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and March 31, 1993. For purposes of this section, "insurer" includes the

assigned risk plan, and "rates" include rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of 5.7 percent on your current policy premium."

(b) No rate increases may be filed between April 1, 1992, and April 1, 1993.

(c) The commissioner of commerce shall 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, 1993.

(d) The rate reduction mandated in this article is in addition to any other reduction required by law.

Sec. 23. [UTILIZATION OF HIGH TECHNOLOGY MEDICAL PROCEDURES.]

The commissioner of labor and industry shall appoint a committee to study the utilization of high technology medical procedures for treatment of injuries under Minnesota Statutes, chapter 176. The committee must include physicians, hospital representatives, medical device manufacturers, purchasers, consumers, and ethicists. The study must specifically examine excessive use of technology. The commissioner shall report the results of the study together with any proposals for legislation to the legislature by January 30, 1993.

Sec. 24. [REPEALER.]

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

Sec. 25. [EFFECTIVE DATE.]

Section 22 of this article and the rulemaking authority granted to the commissioner of labor and industry and the medical services review board by sections 6, 8, and 13 are effective the day following final enactment. The rest of this article is effective October 1, 1992."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform; regulating benefits; providing for medical cost control; requiring improved safety measures; regulating attorneys; providing for more efficient administrative procedures; eliminating the second injury fund; regulating insurance; reforming the assigned risk plan; regulating fraud; imposing penalties; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.011, subdivisions 3, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 4, 6, 9, and 11;

176.103, subdivisions 2, 3, and by adding a subdivision; 176.105, subdivision 1; 176.106, subdivision 6; 176.111, subdivision 18; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1; 176.181, subdivision 3, and by adding a subdivision; 176.182; 176.183; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.421, subdivision 1; 176.461; 176.645, subdivisions 1 and 2; 176.83, subdivision 5, and by adding a subdivision; 176A.03, by adding a subdivision; 480B.01, subdivisions 1 and 10; 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, sections 176.131; 176.135, subdivision 3; and 176.136, subdivision 5.”

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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2235: A bill for an act relating to state government; the department of administration; directing the commissioner of administration to monitor the availability of federal money to state agencies and agency application for and receipt of federal grants; requiring agencies to cooperate with the commissioner; requiring reports to the legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2382: A bill for an act relating to retirement; providing for surviving spouse benefits for the Minneapolis Police Relief Association and the Minneapolis Fire Department Relief Association; amending Laws 1949, chapter 406, section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2300: A bill for an act relating to appropriations; validating certain appropriations for volunteer firefighters' supplemental benefits; limiting appropriations; appropriating money; amending Minnesota Statutes 1990, section 424A.10, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2236: A bill for an act relating to governmental units; organizations and agencies established by law, executive order, or action of a political subdivision acting alone or jointly with another political subdivision; imposing standards and requirements of accountability; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, line 18, delete "*and*" and insert "*or*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2182: A bill for an act relating to retirement; Duluth teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

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

Page 2, line 36, delete "*sections*" and insert "*section*" and delete "*and 3*"

Amend the title as follows:

Page 1, line 5, delete "*sections*" and insert "*section*" and delete "*and 3*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2115: A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending Minnesota Statutes 1991 Supplement, section 16B.101, subdivision 1.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2102: A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; establishing a nitrate data advisory task force; modifying requirements relating to well disclosure certificates and sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; appropriating money; amending Minnesota Statutes 1990, sections 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; 103I.235; and 103I.301, subdivision

1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

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

Page 9, line 2, delete "*November 1, 1992*" and insert "*February 1, 1993*"

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. 2023: A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, section 11.

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. 2450: A bill for an act relating to telecommunications; appropriating money to facilitate public sector regional telecommunications systems statewide, to create a public sector telecommunications clearinghouse, and to continue STARS telecommunications master planning development, including matching funds for pilot project development, in the Northeast and Southeast regions.

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

Page 3, delete lines 1 to 3

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. 1837: A bill for an act relating to retirement; higher education individual retirement account plan; amending Minnesota Statutes 1990, sections 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 354B.

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

Page 1, line 13, strike everything after "contribution"

Page 1, line 14, strike "section" and delete the new language and insert "*of 4-1/2 percent of salary*"

Page 1, line 15, delete "(a)"

Page 1, line 21, strike "in an amount equal to the"

Page 1, line 22, strike "amount prescribed by section" and delete

“352D.04,” and insert “*of six percent of salary*”

Page 1, line 23, delete the new language

Page 2, delete section 5

Page 2, line 30, delete “5” and insert “4” and delete “1992” and insert “1993”

Renumber the sections in sequence

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1819: A bill for an act relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants; amending Minnesota Statutes 1990, section 353.37, subdivision 1.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2389: A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001, subdivisions 1 and 3; 97C.005; 97C.351; and 103G.615, subdivision 3; Minnesota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Page 5, line 20, strike “COMMISSIONER’S ORDER” and insert “*COMMISSIONER*”

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1793: A bill for an act relating to retirement; legislators and elective state officers retirement plans; establishing a retirement fund for each plan; establishing concurrent employer retirement contributions for each plan; establishing special additional employer contribution for each

plan; transferring a portion of an existing appropriation; appropriating money; amending Minnesota Statutes 1990, sections 3A.03; 3A.11, subdivision 1; and 352C.09, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 3A and 352C; repealing Minnesota Statutes 1990, sections 3A.02, subdivision 3; and 352C.10.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 1504: A bill for an act relating to taxation; repealing the tax levy authority of the metropolitan mosquito control district; amending Minnesota Statutes 1990, section 473.711, subdivisions 1, 2, and 3; repealing Minnesota Statutes 1990, section 473.711, subdivisions 4 and 5.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, 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.

(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 current school year to the immediately 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) In the case of a county subject to the taxing authority of the metropolitan mosquito control commission, the notice must state for each parcel the increase or decrease in taxes payable to the commission expressed as a dollar amount and a percentage of total property tax.

~~(g)~~ (g) 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;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

~~(g)~~ (h) 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)~~ (i) 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 473.711, subdivision 2, is amended to read:

Subd. 2. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding the property tax levy limitation determined in this subdivision. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed the property tax levy limitation determined in this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections 473.701 to 473.716 but the sum of the county's and commission's taxes may not exceed the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total net tax capacity to the total net tax capacity of the entire district as adjusted by section 270.12, subdivision 3. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito, disease vectoring tick, and black gnat (*Simuliidae*) control except under sections 473.701 to 473.716. The levy shall be in addition to other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of six-tenths on one mill multiplied by the total assessed valuation of all taxable property located within the district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the commission's property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the district divided by the assessment year 1987 total market valuation of all taxable property located within the district; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the

commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year.

For the purpose of determining the commission's property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425) .00405 percent of tax capacity for property taxes payable in 1993 and subsequent years.

Sec. 3. Minnesota Statutes 1990, section 473.714, is amended to read:
473.714 [COMPENSATION OF COMMISSIONERS.]

Subdivision 1. [COMPENSATION.] Except as provided in subdivision 2, each commissioner, including the officers of the commission shall be reimbursed for actual and necessary expenses incurred in the performance of duties. The chair shall be paid a per diem for attending meetings, monthly, executive, and special, and each commissioner shall be paid a per diem for attending meetings, monthly, executive, and special, which per diem shall be established by the commission; ~~such expense reimbursement and per diem notwithstanding any other funds which such commissioners may receive from any other public body.~~ A commissioner who receives a per diem from the commissioner's county shall not be paid a per diem for the same day by the commission for attending meetings of the commission. The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair or members only when budgeted.

Subd. 2. [CERTAIN COMMISSIONERS.] A commissioner whose annual public salary is \$25,000 or more shall only be reimbursed for expenses related to travel."

Delete the title and insert:

"A bill for an act relating to taxation; limiting the tax levy authority of the metropolitan mosquito control district; providing for certain notice; eliminating the expense and per diem payments to certain commissioners; amending Minnesota Statutes 1990, sections 473.711, subdivision 2; 473.714; Minnesota Statutes 1991 Supplement, section 275.065, subdivision 3."

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2662: A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, section 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1990, section 80A.14, subdivision 4, is amended to read:

Subd. 4. [BROKER-DEALER.] “Broker-dealer” means any person engaged in the business of effecting transactions in securities for the account of others or for that person’s own account. “*Broker-dealer*” includes a real estate broker or agent licensed under chapter 82 who sells a vendor’s interest in more than ten contracts for deed during any period of 12 consecutive months. “Broker-dealer” does not include:

(1) an agent;

(2) an issuer;

(3) a trust company; or

(4) a bank, savings institution, savings and loan association

(i) acting for the account of others, provided that such activities are conducted in compliance with such rules as may be adopted by the commissioner;

(ii) acting for its own account; or

(iii) acting in a fiduciary capacity pursuant to the powers and privileges described by sections 48.36 to 48.49 or United States Code, title 12, section 92(a);

(5) a person who has no place of business in this state if that person effects transactions in this state exclusively with or through (i) the issuers of the securities involved in the transactions, (ii) other broker-dealers, or (iii) banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit sharing trusts, or other financial institutions or institutional buyers, or to broker-dealers, whether the purchaser is acting for itself or in some fiduciary capacity; or

(6) other persons not within the intent of this subsection whom the commissioner by rule or order designates.”

Page 2, lines 27 and 29, strike “\$150,000” and insert “\$75,000”

Page 2, line 35, strike “\$250,000” and insert “\$150,000” and after the period, insert “*An aggrieved person who has a cause of action under section 80A.23 shall first seek recovery as provided in section 80A.05, subdivision 5, before the commissioner may order payment from the recovery fund.*”

Page 5, line 14, delete “section 7” and insert “this section”

Page 6, line 13, delete “9” and insert “10”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete “section” insert “sections 80A.14, subdivision 4; and”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2605: A bill for an act relating to the emergency jobs program; modifying program conditions; amending Minnesota Statutes 1990, sections 268.676, subdivision 1; 268.77, subdivision 1; and 268.681, subdivisions 1 and 2.

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

Page 3, line 26, delete "must be" and insert "is"

Page 3, line 27, after "employees" insert "or other alternative health care coverage"

Page 4, after line 26, insert:

"Sec. 5. Minnesota Statutes 1990, section 268.682, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CERTIFICATION.] In order to qualify as an eligible employer, a government or nonprofit agency or business must certify to the eligible local service unit:

(1) that the wage subsidy will result in an employee obtaining identifiable and portable skills and submit an on-the-job training plan to describe how portable skills will be developed; and

(2) that each job created and funded under sections 268.672 to 268.682:

(a) will result in an increase in employment opportunities over those which would otherwise be available;

(b) will not result in the displacement of currently employed workers, including partial displacement such as reduction in hours of nonovertime work, wages, or employment benefits; and

(c) will not impair existing contracts for service or result in the substitution of wage subsidy funds for other funds in connection with work that would otherwise be performed.

Sec. 6. [REVISOR INSTRUCTION.]

The revisor is directed to change the words "emergency job program" wherever they appear in Minnesota Statutes to "Minnesota employment economic development program."

Sec. 7. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of jobs and training for the Minnesota employment economic development program.

Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 268.6751, subdivision 2, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "instructions to revisor; appropriating money;"

Page 1, line 5, delete the first "and" and before the period, insert "; and

268.682, subdivision 3; repealing Minnesota Statutes 1990, section 268.6751, subdivision 2”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2496: A bill for an act relating to housing; modifying provisions of rehabilitation loans, lease-purchase housing, and urban and rural home-steading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; amending Minnesota Statutes 1990, sections 462A.05, subdivision 14a; 462A.06, subdivision 11; and 462A.202, subdivision 2; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivision 36; 462A.073, subdivision 2; and 462A.30, subdivisions 6 and 9; repealing Minnesota Statutes 1990, section 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 9, section 35.

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

Page 1, after line 17, insert:

“Section 1. Minnesota Statutes 1990, section 462A.03, subdivision 7, is amended to read:

Subd. 7. “Residential housing” means a specific work or improvement within this state undertaken primarily to provide residential care facilities for mentally ill, mentally retarded, physically handicapped, and drug dependent persons licensed or potentially eligible for licensure under rules promulgated by the commissioner of human services, or to provide dwelling accommodations *or manufactured home parks* for persons and families of low and moderate income and for other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.”

Page 4, line 18, after “properties” insert “*or the acquisition, site improvement, and development of new properties*”

Page 4, line 26, after “*property*” insert “*or the part thereof financed under this subdivision*”

Page 5, after line 10, insert:

“Sec. 7. Minnesota Statutes 1990, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$1,990,000,000~~ \$2,400,000,000.”

Page 5, after line 26, insert:

“Sec. 10. [EXEMPTION.]

Notwithstanding Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, the Minnesota housing finance agency and a city may make loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area during the first one-third of an origination period if all of the other conditions specified under Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2 are met. For the purposes of this section, "city" has the meaning given in Minnesota Statutes, section 462C.02, subdivision 6."

Page 5, line 30, after the period, insert "Section 10 expires June 30, 1992."

Page 5, line 32, delete "5, 6, and 7" and insert "2, and 6 to 10"

Page 5, line 33, after the period, insert "Section 10 applies to bonds with an origination period that began on or after October 1, 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "increasing the debt ceiling of the Minnesota housing finance agency;"

Page 1, line 9, after "sections" insert "462A.03, subdivision 7;"

Page 1, line 10, delete "and" and after "2;" insert "and 462A.22, subdivision 1;"

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

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

S.F. No. 2233: A bill for an act relating to natural resources; specifying certain provisions applicable to recipients of grant funds; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; amending Minnesota Statutes 1990, sections 84.83, by adding a subdivision; 84.87, by adding a subdivision; and 84A.55, by adding a subdivision.

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

Page 1, delete section 1

Page 2, line 19, delete "2" and insert "1"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "specifying certain"

Page 1, delete line 3

Page 1, lines 9 and 10, delete "84.83, by adding a subdivision;"

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

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

S.F. No. 1900: A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; allowing nursing homes to limit access to certain physicians and pharmacists on the basis of quality assurance activities; amending Minnesota Statutes 1991 Supplement, sections 145.61, subdivisions 4a and 5; and 256B.48, subdivision 1.

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

Pages 3 to 7, delete section 3

Amend the title as follows:

Page 1, line 5, delete "allowing nursing"

Page 1, delete lines 6 and 7

Page 1, line 8, delete "activities;"

Page 1, line 9, delete "sections" and insert "section" and delete the semicolon and insert a period

Page 1, delete line 10

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

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

S.F. No. 1319: A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

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. 2637: A bill for an act relating to motor carriers; regulating courier services carriers and local cartage carriers; amending Minnesota Statutes 1990, section 221.011, subdivisions 25, 28, and by adding a subdivision.

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

Page 1, line 13, before "by" insert "except household goods"

Page 2, delete sections 2 and 3 and insert:

"Courier service carriers must maintain accurate records of each shipment picked up and delivered, including (1) time of the request for service, (2) time of the pickup, (3) time of delivery, (4) weight of the shipment, and (5) the specific vehicle or vehicles used to transport the shipment."

Amend the title as follows:

Page 1, line 3, delete "and local cartage carriers"

Page 1, line 4, delete "subdivisions" and insert "subdivision 25."

Page 1, delete line 5

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 1997: A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, 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) failing to provide, to an insured who has submitted a claim for benefits described in section 65B.44, a complete copy of the insurer's claim file on the insured, excluding internal company memoranda, all materials that relate to any insurance fraud investigation, materials that constitute attorney work-product or that qualify for the attorney-client privilege, and medical reviews that are subject to section 145.64, within ten business days of receiving a written request from the insured. The insurer may charge the insured a reasonable copying fee. This clause supersedes any inconsistent provisions of sections 72A.49 to 72A.505;

(14) if an automobile policy provides for the adjustment or settlement of an automobile loss due to damaged window glass, failing to assume all *reasonable* costs sufficient to pay the insured's chosen vendor for the *repair or 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-, *provided, however, that before recommending a vendor, the insurer shall offer its insured the opportunity to choose the vendor;*

(15) requiring that the repair or replacement of motor vehicle glass and related products and services be made in a particular place or shop or by a particular entity, or by otherwise limiting the ability of the insured to select the place, shop, or entity to repair or replace the motor vehicle glass and related products and services; or

(16) engaging in any act or practice of intimidation, coercion, threat, incentive, or inducement for or against an insured to use a particular company or location to provide the motor vehicle glass repair or replacement services or products. For purposes of this section, a warranty shall not be considered an inducement or incentive.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

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

S.F. No. 2428: A bill for an act relating to energy; requiring the use of energy-efficient lighting for highways, streets, and parking lots; establishing minimum energy efficiency standards for lamps, motors, showerheads, faucets, and replacement commercial heating, ventilating, and air conditioning equipment; requiring that all new residential combustion appliances be unable to spill combustion gases into homes regardless of the airtightness or operating condition of the home; requiring continuing education in energy efficiency standards in building codes for licensed building contractors, remodelers, and specialty contractors; authorizing rulemaking; amending Minnesota Statutes 1990, section 216C.19, subdivision 1, and by adding

subdivisions; and Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1.

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

Page 1, line 24, strike "maximum" and insert "*minimum*" and strike "use" and insert "*efficiency*"

Page 1, line 29, strike "lighting"

Page 1, line 31, delete the new language

Page 2, line 1, delete "*ratio of 58*" and insert "*light fixtures using lamps with efficiencies less than 70*"

Page 2, delete lines 2 to 4 and insert "*fixtures using lamps with efficiencies of at least 70 lumens per watt.*"

Sec. 2. Minnesota Statutes 1990, section 216C.19, subdivision 13, is amended to read:

Subd. 13. (a) No new room air conditioner or room air conditioner heat pump shall be sold or installed or transported for resale into Minnesota unless it has an energy efficiency ratio of 7.0 or higher. Beginning January 1, 1987, the energy efficiency ratio for room air conditioners with a 6,000 Btu per hour rating or higher must be 7.8 or higher equal to or greater than that shown in paragraph (b). For purposes of this subdivision, "energy efficiency ratio" means the ratio of the cooling capacity of the air conditioner in British thermal units per hour to the electrical power input in watts. The cooling and capacity, and electrical power input, and energy efficiency ratio of room air conditioners and room air conditioning heat pumps is determined by using the standard for room air conditioners, approved by the American National Standards Institute on April 20, 1982, known as ANSI/AHAM RAC-1, with ASHRAE 58-74 used in lieu of ASHRAE 58-65. The method of sampling of room air conditioners shall be that required by the Department of Energy and found in 44 Federal Register 22410-22418 (April 13, 1979). A new room air conditioner having dual voltage ratings shall conform to the energy efficiency ratio requirements at each rating for room air conditioners ANS Z234.1-1972 in accordance with ASHRAE Standard 16-69.

(b) ROOM AIR CONDITIONERS AND ROOM AIR CONDITIONER HEAT PUMPS MINIMUM REQUIRED EFFICIENCY

EQUIPMENT CATEGORIES	ENERGY EFFICIENCY RATIO
<i>Without Reverse Cycle and With Louvered Sides</i>	
<i>less than 6,000 Btu/hr</i>	8.0
<i>6,000 to 7,999 Btu/hr</i>	8.5
<i>8,000 to 13,999 Btu/hr</i>	9.0
<i>14,000 to 19,999 Btu/hr</i>	8.8
<i>20,000 Btu/hr and greater</i>	8.2
<i>Without Reverse Cycle and Without Louvered Sides</i>	
<i>less than 6,000 Btu/hr</i>	8.0
<i>6,000 to 19,999 Btu/hr</i>	8.5
<i>20,000 Btu/hr and greater</i>	8.2

With Reverse Cycle and With Louvered Sides
All Capacities 8.5

With Reverse Cycle and Without Louvered Sides
All Capacities 8.0"

Page 3, delete lines 15 to 27

Page 5, line 11, delete "60" and insert "66"

Page 5, line 13, delete "61" and insert "67"

Re-number the clauses in sequence

Page 7, line 4, after "*subdivision*" insert ", *excluding those sold as part of an appliance.*"

Page 8, delete section 6

Page 8, line 36, delete "21" and insert "20"

Page 9, line 18, delete "6" and insert "7"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete lines 8 to 10

Page 1, line 15, delete "subdivision 1" and insert "subdivisions 1, 13"

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

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

S.F. No. 2383: A bill for an act relating to peace officers; affording qualified federal law enforcement officers the authority of peace officers when assigned to special state and federal task forces; proposing coding for new law in Minnesota Statutes, chapter 626.

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

Page 1, line 18, delete "*state*"

Page 1, line 19, delete "*and*" and after "*government*" insert "*and the commissioners of the state agencies*"

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. 2229: A bill for an act relating to children; providing for a recognition of parentage with the force and effect of a paternity adjudication; providing for preparation and distribution of a recognition form and educational materials for paternity; amending Minnesota Statutes 1990, sections 144.215, subdivision 3; 257.54; 257.541; 257.55, subdivision 1; 257.59, subdivision 1; 257.74, subdivision 1; and 518.156, subdivision 1; Minnesota Statutes 1991 Supplement, section 257.57, 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 3, line 2, after the period, insert "*An action for custody or visitation rights based on a recognition of parentage may not be combined with any proceeding under chapter 518B.*"

Page 5, lines 16 to 18, delete the new language

Page 6, line 34, delete "*the existence of one or more*"

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. 2399: A bill for an act relating to state lands; defining "substantially equal value" for purposes of state land exchanges; amending Minnesota Statutes 1990, section 94.344, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 94.344, subdivision 3, is amended to read:

Subd. 3. (a) Except as otherwise provided, Class B land may be exchanged only for land of substantially equal value or greater value to the state, as determined by the county board, with the approval of the commissioner and the land exchange board. For an exchange involving Class B land for Class A or Class C land, the value of the lands shall be determined by the commissioner, with approval of the land exchange board. For purposes of the determination, the commissioner shall appraise the state and tax-forfeited land proposed to be exchanged in the same manner as Class A land. For all other purposes, the county board shall appraise the state land and the land in the proposed exchange in the same manner as tax-forfeited land to be offered for sale. The appraised values shall not be conclusive, but shall be taken into consideration, together with such other matters as may be deemed material, in determining the values for the purposes of exchange.

(b) For the purposes of this subdivision, "*substantially equal value*" means:

(1) where the lands being exchanged both consist of more than 100 acres, the values of the lands do not differ by more than ten percent of the lower value; and

(2) in other cases, the values of the exchanged lands do not differ by more than 20 percent of the lower value.

Sec. 2. [CAMP 97 CREEK, GOLD MINE, AND CRANE LAKE TOWER IMPOUNDMENTS.]

Subdivision 1. [AGREEMENT; PURPOSE.] *In accordance with Minnesota Statutes, section 103G.545, the commissioner of natural resources may enter into a cooperative agreement with the United States Forest Service to construct and maintain a dam and control structure across, and thereby alter the natural water level and volume of flowage of, the following waters*

in *St. Louis county*:

(1) *Camp 97 Creek in the Southwest Quarter of the Southwest Quarter of Section 33, Township 66 North, Range 16 West;*

(2) *an unnamed tributary of the Vermilion River in the Southeast Quarter of the Southeast Quarter of Section 11, Township 66 North, Range 18 West; and*

(3) *an unnamed flowage in the Northwest Quarter of the Northeast Quarter of Section 33, Township 67 North, Range 17 West.*

The purpose of these projects, to be known as the Camp 97 Creek Impoundment, the Gold Mine Impoundment, and the Crane Lake Tower Impoundment, respectively, is to create and maintain permanent impoundments for the benefit of wildlife, recreation, and other public purposes.

Subd. 2. [AUTHORIZATION.] No alteration of the course, current, or cross-section of any of the waters described in subdivision 1 or any other public waters, and no filling or draining of wetlands, may be accomplished until any authorizations required for these activities under Minnesota Statutes, sections 103G.222, 103G.2369, and 103G.245, have been obtained.

Subd. 3. [EASEMENT.] Lands owned by the state may not be flooded or otherwise affected by flooding resulting from the projects described in subdivision 1 until an easement, lease, license, or permit for this purpose is obtained from the commissioner of natural resources. The commissioner may grant any necessary easements, leases, licenses, or permits.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, delete "state lands" and insert "natural resources"

Page 1, line 3, after the semicolon, insert "authorizing the Camp 97 Creek, Gold Mine, and Crane Lake Tower impoundments in *St. Louis county*;"

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. 1687: A bill for an act relating to crime; increasing penalties for certain sex offenders; providing for life imprisonment for certain repeat sex offenders; increasing supervision of sex offenders following release from prison; eliminating the "good time" reduction in a prison sentence unless a sex offender satisfactorily completes a treatment program in prison; prohibiting the release of a prison inmate on a weekend or holiday; requiring review of sex offenders for psychopathic personality commitment before prison release; amending Minnesota Statutes 1990, sections 241.67, subdivision 3; 244.04, subdivision 1; 244.05, subdivisions 1, 3, 4, 5, and by adding a subdivision; 609.1352, subdivision 5, and by adding a subdivision; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 244.05, subdivision 6; and 244.12, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1
SEX OFFENDERS

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment programs~~, within the state adult correctional facility system. Participation in any ~~treatment~~ program is ~~voluntary and~~ is subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a ~~treatment~~ program *if the offender is determined by prison professionals as unamenable to programming within the prison system or if the offender refuses or fails to comply with the program's requirements.* Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall provide for residential and outpatient sex offender ~~treatment programming~~ and aftercare when required for conditional release under section 609.1352 or as a condition of supervised release.

Sec. 2. Minnesota Statutes 1990, section 241.67, subdivision 6, is amended to read:

Subd. 6. [SPECIALIZED CORRECTIONS AGENTS AND PROBATION OFFICERS; SEX OFFENDER SUPERVISION.] ~~By January 1, 1990,~~ The commissioner of corrections shall develop in-service training for state and local corrections agents and probation officers who supervise adult and juvenile sex offenders on probation or supervised release. The commissioner shall make the training available to all current and future corrections agents and probation officers who supervise or will supervise sex offenders on probation or supervised release.

~~After January 1, 1991,~~ A state or local corrections agent or probation officer may not supervise adult or juvenile sex offenders on probation or supervised release unless the agent or officer has completed the in-service sex offender supervision training. The commissioner may waive this requirement if the corrections agent or probation officer has completed equivalent training as part of a post-secondary educational curriculum.

~~After January 1, 1991,~~ When an adult sex offender is placed on supervised release or is sentenced to probationary supervision, and when a juvenile offender is found delinquent by the juvenile court for a sex offense and placed on probation or is paroled from a juvenile correctional facility, a corrections agent or probation officer may not be assigned to the offender unless the agent or officer has completed the in-service sex offender supervision training.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [RELEASE ON CERTAIN DAYS.] Notwithstanding the amount of good time earned by an inmate sentenced before August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or

holiday, the inmate's supervised release term shall begin on the last day before the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday. For inmates sentenced on or after August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the first day after the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday.

Sec. 4. Minnesota Statutes 1990, section 244.05, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that ~~for if a sex offender is sentenced and conditionally released under section 609.1352, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the original sentence imposed less good time earned under section 244.04, subdivision 4~~ conditional release term.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence ~~for conviction of murder in the first degree~~ under section 609.185, clause (1), (2), (4), (5), or (6); or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 6. Minnesota Statutes 1990, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (4), (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 7. Minnesota Statutes 1991 Supplement, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commissioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). *In addition, the commissioner may*

order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under sections 609.342 to 609.345 or was sentenced under the provisions of section 609.1352. The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. In addition, any sex offender placed on intensive supervised release may be ordered to participate in an appropriate sex offender treatment program as a condition of release. If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 and section 609.1352.

Sec. 8. Minnesota Statutes 1991 Supplement, section 244.12, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct ~~in the first or second degree~~, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

Sec. 9. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, ~~or 609.345~~, 609.3451, 609.746, subdivision 1, 609.79, or 617.23, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

Sec. 10. Minnesota Statutes 1991 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor the stay shall be for not more than two years.

(c) If the conviction is for any misdemeanor under section 169.121; 609.3451; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(d) If the conviction is for a misdemeanor not specified in paragraph (c), the stay shall be for not more than one year.

(e) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (f), or the defendant has already been discharged.

(f) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (e), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 11. Minnesota Statutes 1990, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court ~~may~~ shall sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is

a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status *unless the offender refuses to be examined*. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 12. Minnesota Statutes 1990, section 609.1352, subdivision 5, is amended to read:

Subd. 5. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court ~~may~~ shall provide that after the offender has completed ~~one-half of the full pronounced~~ sentence imposed, ~~without regard to less any good time earned by an offender sentenced before August 1, 1993,~~ the commissioner of corrections ~~may~~ shall place the offender on conditional release for the remainder of the statutory maximum period or for ten years, whichever is longer; ~~if the commissioner finds that:~~

(1) ~~the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to be released to a sex offender treatment program operated by the department of human services or a community sex offender treatment and reentry program; and~~

(2) ~~the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community.~~

The conditions of release ~~must~~ may include successful completion of treatment and aftercare in a program approved by the commissioner, *satisfaction of the release conditions specified in section 244.05, subdivision 6*, and any other conditions the commissioner considers appropriate. Before the offender is released, the commissioner shall notify the sentencing court, the prosecutor in the jurisdiction where the offender was sentenced and the victim of the offender's crime, where available, of the terms of the offender's conditional release. ~~Release may be revoked and the stayed sentence executed in its entirety less good time~~ If the offender fails to meet any condition of release, *the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison*. The commissioner shall not dismiss the offender from supervision before the ~~sentence~~ conditional release term expires.

Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

Sec. 13. Minnesota Statutes 1990, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release ~~when~~ under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2); or

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), (4), (5), or (6), and the person has one or more previous convictions for a heinous crime.

Sec. 14. Minnesota Statutes 1990, section 609.342, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] *Except as otherwise provided in section 609.346, subdivision 2a or 2b*, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~25~~ 30 years or to a payment of a fine of not more than \$40,000, or both.

Sec. 15. Minnesota Statutes 1990, section 609.343, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] *Except as otherwise provided in section 609.346, subdivision 2a or 2b*, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~20~~ 25 years or to a payment of a fine of not more than \$35,000, or both.

Sec. 16. Minnesota Statutes 1990, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] *Except as provided in subdivision 2a or 2b*, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 17. Minnesota Statutes 1990, section 609.346, subdivision 2a, is amended to read:

Subd. 2a. [~~MAXIMUM MANDATORY LIFE SENTENCE IMPOSED.~~] (a) The court shall sentence a person to a ~~term of imprisonment of 37 years~~ *for life*, notwithstanding the statutory maximum ~~sentences~~ *sentence* under ~~sections section 609.342 and 609.343~~ if:

(1) the person is convicted under section 609.342 ~~or 609.343~~; and

(2) *the court determines on the record at the time of sentencing that any of the following circumstances exists:*

(i) *the person has previously been sentenced under section 609.1352;*

(ii) *the person has one previous sex offense conviction under section 609.342, 609.343, or 609.344 for which the person was sentenced to prison in an upward durational departure from the sentencing guidelines; or*

(iii) *the person has two previous sex offense convictions under section 609.342, 609.343, or 609.344.*

(b) Notwithstanding sections 609.342, subdivision 3; ~~and 609.343, subdivision 3; and 609.344, subdivision 3~~; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 18. Minnesota Statutes 1990, section 609.346, is amended by adding

a subdivision to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) The court shall sentence a person to a term of 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition or execution of the sentence required by this subdivision.

Sec. 19. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM DEPARTURE FOR SEX OFFENDERS.] The court shall sentence a person to at least twice the presumptive sentence recommended by the sentencing guidelines if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); 609.343, subdivision 1, clause (c), (d), (e), or (f); or 609.344, subdivision 1, clause (c) or (d); and

(2) the court determines on the record at the time of sentencing that the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines.

Sec. 20. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 5. [SUPERVISED RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, any person who is sentenced to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years. The court shall sentence a person convicted for a violation of one of those sections a second or subsequent time, or sentenced under section 19 to a mandatory departure, to serve a supervised release term of not less than ten years. The court shall sentence a person convicted for a violation of one of those sections and sentenced to serve a 30-year sentence under section 18 to serve a supervised release term of not less than 15 years.

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the offender.

Sec. 21. Minnesota Statutes 1990, section 609.346, is amended by adding

a subdivision to read:

Subd. 6. [SEX OFFENDER ASSESSMENT.] When a person is convicted of a violation of section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.746, subdivision 1, 609.79, or 617.23, the court shall order an independent professional assessment of the offender's need for sex offender treatment. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders. If the assessment indicates that the offender is in need of and amenable to sex offender treatment, the court shall include in the sentence a requirement that the offender undergo treatment.

Sec. 22. Minnesota Statutes 1990, section 630.36, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] The issues on the calendar shall be disposed of in the following order, unless, upon the application of either party, for good cause, the court directs an indictment or complaint to be tried out of its order:

- (1) indictments or complaints for felony, where the defendant is in custody;
- (2) indictments or complaints for misdemeanor, where the defendant is in custody;
- (3) indictments or complaints alleging child abuse, as defined in subdivision 2, where the defendant is on bail;
- (4) *indictments or complaints alleging a violation of section 609.342, 609.343, 609.344, or 609.345, where the defendant is on bail;*
- (5) *indictments or complaints alleging an assault committed against the actor's family or household member, as defined in section 518B.01, subdivision 2, where the defendant is on bail;*
- (6) indictments or complaints for felony, where the defendant is on bail, and
- ~~(7)~~ (7) indictments or complaints for misdemeanor, where the defendant is on bail.

After a plea, the defendant shall be entitled to at least four days to prepare for trial, if the defendant requires it.

Sec. 23. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment. Sections 4, 5, 6, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, and 20 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 9 is effective August 1, 1992, and applies to persons adjudicated delinquent on or after that date. The court shall consider convictions occurring before August 1, 1992, as previous convictions in sentencing offenders under sections 16, 17, 18, and 19.

ARTICLE 2

SENTENCING

Section 1. Minnesota Statutes 1990, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," *as applied to inmates sentenced before August 1, 1993*, is the period of time to which an inmate is committed to

the custody of the commissioner of corrections minus earned good time. "*Term of imprisonment,*" as applied to inmates sentenced on or after August 1, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1a.

Sec. 2. Minnesota Statutes 1990, section 244.03, is amended to read:

244.03 [~~VOLUNTARY REHABILITATIVE PROGRAMS.~~]

The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs and for inmates who are required to participate in the programs under the disciplinary offense rules adopted by the commissioner under section 244.05, subdivision 1a. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, may be maintained by an inmate in any court in this state.

Sec. 3. Minnesota Statutes 1990, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346, subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, and before August 1, 1993, shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender sentenced and conditionally released by the commissioner under section 609.1352, subdivision 5, is governed by that provision.

Except as otherwise provided in subdivision 2, if an inmate sentenced before August 1, 1993, violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 4. Minnesota Statutes 1990, section 244.04, subdivision 3, is amended to read:

Subd. 3. The provisions of this section do not apply to an inmate serving a mandatory life sentence or to persons sentenced on or after August 1, 1993.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions 1a, 4, and 5, every inmate shall serve a supervised release term upon completion of the inmate's term of imprisonment as reduced by any good time earned by the inmate or extended by confinement in punitive segregation pursuant to section 244.04, subdivision 2. Except for a sex offender conditionally released under section 609.1352, subdivision

5, the supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Sec. 6. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1b. [SUPERVISED RELEASE; OFFENDERS SENTENCED ON OR AFTER AUGUST 1, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense on or after August 1, 1993, shall serve a supervised release term upon completion of the term of imprisonment pronounced by the sentencing court under section 7 and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The supervised release term shall be equal in length to the amount of time remaining in the inmate's imposed sentence after the inmate has served the pronounced term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By August 1, 1992, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 7. [244.101] [SENTENCING OF FELONY OFFENDERS ON AND AFTER AUGUST 1, 1993.]

Subdivision 1. [SENTENCING AUTHORITY.] When a felony offender is sentenced to a fixed executed prison sentence on or after August 1, 1993, the sentence pronounced by the court shall consist of two parts: (1) a specified minimum term of imprisonment; and (2) a specified maximum supervised release term that is one-half of the minimum term of imprisonment. The lengths of the term of imprisonment and the supervised release term actually served by an inmate are subject to the provisions of section 244.05, subdivision 1a.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces sentence under this section, it shall specify the amount of time the defendant will serve in prison and the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that may result in the imposition of a disciplinary confinement period. The court shall also explain that the defendant's term of imprisonment may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire pronounced sentence in prison. The court's explanation shall be included in the sentencing order.

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's specification of the potential length of a defendant's supervised release term in the sentencing order, the court's order creates no right of a defendant to any specific, minimum length of a supervised release term.

Sec. 8. Minnesota Statutes 1990, section 609.15, subdivision 2, is amended to read:

~~Subd. 2. [LIMIT ON TERMS; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively, the total of the terms of imprisonment imposed, other than a term of imprisonment for life, shall not exceed 40 years. If and all of the sentences are for misdemeanors, the total of the terms of imprisonment shall not exceed one year; If all of the sentences are for gross misdemeanors, the total of such the terms shall not exceed three years.~~

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1993, and apply to crimes committed on or after that date. Section 8 is effective August 1, 1992, and applies to crimes committed on or after that date.

ARTICLE 3

PSYCHOPATHIC PERSONALITY PROVISIONS

Section 1. Minnesota Statutes 1990, section 8.01, is amended to read:

8.01 [APPEARANCE.]

The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested; also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it. Upon request of the county attorney, the attorney general shall appear in court in such criminal cases as the attorney general deems proper. *Upon request of a county attorney, the attorney general shall assume the duties of the county attorney in psychopathic personality commitment proceedings under section 526.10.* Whenever the governor shall so request, in writing, the attorney general shall prosecute any person charged with an indictable offense, and in all such cases may attend upon the grand jury and exercise the powers of a county attorney.

Sec. 2. Minnesota Statutes 1991 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.

The attorney general in consultation with the commissioner of finance

shall assess political subdivisions fees to cover half the cost of legal services rendered to them; *except that the attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01.*

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.] Before the commissioner releases from prison any inmate convicted of a sex offense under sections 609.342 to 609.345 or sentenced as a patterned sex offender, as defined in section 609.1352, the commissioner shall make a preliminary determination whether, in the commissioner's opinion, a petition under section 526.10 may be appropriate. If the commissioner determines that a petition may be appropriate, the commissioner shall forward this determination, along with a summary of the reasons for the determination, to the county attorney in the county where the inmate was convicted no later than six months before the inmate's release date. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 526.10. The commissioner shall release to the county attorney all requested documentation maintained by the department.

Sec. 4. Minnesota Statutes 1990, section 253B.18, subdivision 2, is amended to read:

Subd. 2. [REVIEW; HEARING.] A written treatment report shall be filed with the committing court within 60 days after commitment. If the person is in the custody of the commissioner of corrections when the initial commitment is ordered under subdivision 1, the written treatment report must be filed within 60 days after the person is admitted to the Minnesota security hospital or a private hospital receiving the person. The court, prior to making a final determination with regard to a person initially committed as mentally ill and dangerous to the public, shall hold a hearing. The hearing shall be held within the earlier of 14 days of the court's receipt of the written treatment report, if one is filed, or within 90 days of the date of initial commitment or admission, whichever is earlier, unless otherwise agreed by the parties. If the court finds that the patient qualifies for commitment as mentally ill, but not as mentally ill and dangerous to the public, the court may commit the person as a mentally ill person and the person shall be deemed not to have been found to be dangerous to the public for the purposes of subdivisions 4 to 15. Failure of the treatment facility to provide the required report at the end of the 60-day period shall not result in automatic discharge of the patient.

Sec. 5. Minnesota Statutes 1990, section 526.10, is amended to read:

526.10 [LAWS RELATING TO MENTALLY ILL PERSONS DANGEROUS TO THE PUBLIC TO APPLY TO PSYCHOPATHIC PERSONALITIES; TRANSFER OR COMMITMENT TO CORRECTIONS.]

Subdivision 1. [PROCEDURE.] Except as otherwise provided in this section or in chapter 253B, the provisions of chapter 253B, pertaining to persons mentally ill and dangerous to the public shall apply with like force and effect to persons having a psychopathic personality, to persons alleged to have such personality, and to persons found to have such personality, respectively. Before such proceedings are instituted, the facts shall first be

submitted to the county attorney, who, if satisfied that good cause exists therefor, shall prepare the petition to be executed by a person having knowledge of the facts and file the same with the judge of the probate court of the county in which the "patient," as defined in such statutes, has a settlement or is present. *If the patient is in the custody of the commissioner of corrections, the petition may be filed in the county where the conviction for which the person is incarcerated was entered.* The judge of probate shall thereupon follow the same procedures set forth in chapter 253B, for judicial commitment. The judge may exclude the general public from attendance at such hearing. If, upon completion of the hearing and consideration of the record, the court finds the proposed patient has a psychopathic personality, the court shall commit such person to a public hospital or a private hospital consenting to receive the person, subject to a mandatory review by the head of the hospital within 60 days from the date of the order as provided for in chapter 253B for persons found to be mentally ill and dangerous to the public. The patient shall thereupon be entitled to all of the rights provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public, and all of the procedures provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public shall apply to such patient except as otherwise provided in subdivision 2.

Subd. 2. [TRANSFER TO CORRECTIONAL FACILITY.] ~~Unless the provisions of section 609.1351 apply,~~ (a) If a person has been committed under this section and ~~also has been~~ later is committed to the custody of the commissioner of corrections, the person may be transferred from a hospital to another facility designated by the commissioner of corrections as provided in section 253B.18; except that the special review board and the commissioner of human services may consider the following factors in lieu of the factors listed in section 253B.18, subdivision 6, to determine whether a transfer to the commissioner of corrections is appropriate:

- (1) the person's unamenability to treatment;
- (2) the person's unwillingness or failure to follow treatment recommendations;
- (3) the person's lack of progress in treatment at the public or private hospital;
- (4) the danger posed by the person to other patients or staff at the public or private hospital; and
- (5) the degree of security necessary to protect the public.

(b) *If a person is committed under this section after a commitment to the commissioner of corrections, the person shall first serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence, the person shall be transferred to a regional center designated by the commissioner of human services.*

Sec. 6. [526.115] [STATEWIDE JUDICIAL PANEL; PSYCHOPATHIC PERSONALITY COMMITMENTS.]

Subdivision 1. [CREATION.] The supreme court may establish a panel of district judges with statewide authority to preside over commitment proceedings brought under section 526.10. Only one judge of the panel is required to preside over a particular commitment proceeding. Panel members shall serve for one-year terms. One of the judges shall be designated as the chief judge of the panel, and is vested with the power to designate

the presiding judge in a particular case, to set the proper venue for the proceedings, and to otherwise supervise and direct the operation of the panel. The chief judge shall designate one of the other judges to act as chief judge whenever the chief judge is unable to act.

Subd. 2. [EFFECT OF CREATION OF PANEL.] If the supreme court creates the judicial panel authorized by this section, all petitions for civil commitment brought under section 526.10 shall be filed with the chief judge of the panel instead of with the probate court in the county where the proposed patient is present, notwithstanding any provision of section 526.10 to the contrary. Otherwise, all of the other applicable procedures contained in section 526.10 and chapter 253B apply to commitment proceedings conducted by a judge on the panel.

Sec. 7. Minnesota Statutes 1990, section 609.1351, is amended to read:
609.1351 [PETITION FOR CIVIL COMMITMENT.]

When a court sentences a person under section 609.1352, 609.342, 609.343, 609.344, or 609.345, the court shall make a preliminary determination whether in the court's opinion a petition under section 526.10 may be appropriate *and include the determination as part of the sentencing order.* If the court determines that a petition may be appropriate, the court shall forward its preliminary determination along with supporting documentation to the county attorney. ~~If the person is subsequently committed under section 526.10, the person shall serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence the person shall be transferred to a facility designated by the commissioner of human services.~~

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective August 1, 1992, and applies to sentences imposed on or after that date.

ARTICLE 4 PENALTIES

Section 1. Minnesota Statutes 1990, section 609.152, subdivision 2, is amended to read:

Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive imprisonment sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and:

(1) *the court determines on the record at the time of sentencing that the offender has two or more prior convictions for violent crimes; and*

(2) *the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:*

(i) *the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, or long involvement in criminal activity including juvenile adjudications; or*

(ii) *the fact that the present offense of conviction involved an aggravating factor that would justify a durational departure under the sentencing*

guidelines.

Sec. 2. Minnesota Statutes 1990, section 609.152, subdivision 3, is amended to read:

Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.] Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the offender has more than four prior felony convictions and that the present offense is a felony that was committed as part of a pattern of criminal conduct ~~from which a substantial portion of the offender's income was derived.~~

Sec. 3. Minnesota Statutes 1990, section 609.184, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] (a) A "heinous crime" is:

- (1) a violation *or attempted violation* of section 609.185, *or* 609.19,;
- (2) a violation of section 609.195, *or* 609.221; *or*
- (3) a violation of section 609.342 ~~or~~, 609.343, *or* 609.344, if the offense was committed with force or violence.

(b) "Previous conviction" means a conviction in Minnesota of a heinous crime or a conviction elsewhere for conduct that would have been a heinous crime under this chapter if committed in Minnesota. The term includes any conviction that occurred before the commission of the present offense of conviction, but does not include a conviction if 15 years have elapsed since the person was discharged from the sentence imposed for the offense.

Sec. 4. Minnesota Statutes 1990, section 609.185, is amended to read:
609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

- (1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;
- (2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;
- (3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;
- (4) causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties;
- (5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference

to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, ~~or~~ 609.378, or 609.713.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, ~~or~~ 609.223, 609.224, 609.342, 609.343, 609.344; 609.345, or 609.713; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 5. Minnesota Statutes 1990, section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.]

Whoever does ~~either~~ any of the following is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) Causes the death of a human being with intent to effect the death of that person or another, but without premeditation; ~~or~~;

(2) Causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence; or

(3) *Causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection issued under chapter 518B and the victim is a person designated to receive protection under the order.*

Sec. 6. Minnesota Statutes 1990, section 609.21, subdivision 1, is amended to read:

Subdivision 1. [CRIMINAL VEHICULAR HOMICIDE.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more; or

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular homicide resulting in death and may be sentenced to imprisonment for not more than ~~ten~~ 15 years or to payment of a fine of not more than ~~\$20,000~~ \$30,000, or both.

Sec. 7. Minnesota Statutes 1990, section 609.21, subdivision 2, is amended to read:

Subd. 2. [RESULTING IN GREAT BODILY HARM.] Whoever causes great bodily harm to another, not constituting attempted murder or assault, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of 0.10 or more; or
- (4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in great bodily harm and may be sentenced to imprisonment for not more than ~~five~~ *ten* years or to payment of a fine of not more than ~~\$10,000~~ *\$20,000*, or both.

Sec. 8. Minnesota Statutes 1990, section 609.21, subdivision 2a, is amended to read:

Subd. 2a. [RESULTING IN SUBSTANTIAL BODILY HARM.] Whoever causes substantial bodily harm to another, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of 0.10 or more; or
- (4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than ~~three~~ *five* years or to payment of a fine of not more than \$10,000, or both.

Sec. 9. Minnesota Statutes 1990, section 609.21, subdivision 3, is amended to read:

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of 0.10 or more; or
- (4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ~~ten~~ *15* years or to payment of a fine of not more than ~~\$20,000~~ *\$30,000*, or both. A prosecution for or conviction of a crime under this subdivision is not a bar

to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 10. Minnesota Statutes 1990, section 609.21, subdivision 4, is amended to read:

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm to an unborn child who is subsequently born alive, as a result of operating a motor vehicle,

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;
- (3) while having an alcohol concentration of 0.10 or more; or
- (4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than ~~five~~ *ten* years or to payment of a fine of not more than ~~\$10,000~~ *\$20,000*, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Sec. 11. Minnesota Statutes 1990, section 609.222, is amended to read:
609.222 [ASSAULT IN THE SECOND DEGREE.]

Subdivision 1. [DANGEROUS WEAPON.] Whoever assaults another with a dangerous weapon may be sentenced to imprisonment for not more than ~~seven~~ *ten* years or to payment of a fine of not more than ~~\$14,000~~ *\$20,000*, or both.

Subd. 2. [DANGEROUS WEAPON; SUBSTANTIAL BODILY HARM.] *Whoever assaults another with a dangerous weapon and inflicts substantial bodily harm may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both.*

Sec. 12. 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 agricultural inspector, child protection worker, public health nurse, or probation or parole officer while the employee is engaged in the performance of a duty mandated by law, court order, or ordinance;*
- (2) knows that the victim is a public employee engaged in the performance of the official public duties of the office; and*
- (3) inflicts demonstrable bodily harm.*

Sec. 13. Minnesota Statutes 1990, section 609.713, is amended to read:
609.713 [TERRORISTIC THREATS.]

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or facility of public transportation or

otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than ~~five~~ *ten* years or to payment of a fine of *not more than \$20,000, or both.*

Subd. 2. Whoever communicates to another with purpose to terrorize another or in reckless disregard of the risk of causing such terror, that explosives or an explosive device or any incendiary device is present at a named place or location, whether or not the same is in fact present, may be sentenced to imprisonment for not more than ~~three~~ *five* years or to payment of a fine of *not more than \$10,000, or both.*

Subd. 3. (a) Whoever displays, exhibits, brandishes, or otherwise employs a replica firearm in a threatening manner, may be sentenced to imprisonment for not more than ~~one year and one day~~ *three years* or to payment of a fine of not more than ~~\$3,000~~ *\$10,000*, or both, if, in doing so, the person either:

(1) causes or attempts to cause terror in another person; or

(2) acts in reckless disregard of the risk of causing terror in another person.

(b) For purposes of this subdivision, "replica firearm" means a device or object that is not defined as a dangerous weapon, and that is a facsimile or toy version of, and reasonably appears to be a pistol, revolver, shotgun, sawed-off shotgun, rifle, machine gun, rocket launcher, or any other firearm.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 5

CRIME VICTIMS

Section 1. Minnesota Statutes 1990, section 135A.15, is amended to read:

135A.15 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Subdivision 1. [POLICY REQUIRED.] The governing board of each public post-secondary system and each public post-secondary institution shall adopt a clear, understandable written policy on sexual harassment and sexual violence *that informs victims of their rights under the crime victims bill of rights, including the right to assistance from the crime victims reparations board and the office of the crime victim ombudsman.* The policy must apply to students and employees and must provide information about their rights and duties. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each public post-secondary institution shall provide each student with information regarding its policy. *A copy of the policy also shall be posted at appropriate locations on campus at all times.* Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Subd. 2. [VICTIMS' RIGHTS.] *The policy required under subdivision 1 shall, at a minimum, contain the following rights:*

(1) the right to the prompt assistance of school authorities in notifying the appropriate prosecutorial and disciplinary authorities of a sexual assault incident;

(2) the right to a prompt investigation and resolution of a sexual assault complaint by the appropriate prosecutorial and disciplinary authorities;

(3) the right to participate in and have the assistance of an attorney or other support person at any school disciplinary proceeding concerning the sexual assault complaint;

(4) the right to be notified of the outcome of any school disciplinary proceeding concerning the sexual assault complaint;

(5) the right to the complete and prompt assistance of school authorities in obtaining, securing, and maintaining evidence relevant to the school disciplinary proceeding or other legal proceeding concerning the sexual assault complaint; and

(6) the right to have school authorities and personnel take all necessary steps to shield the victim from unwanted contact with the alleged assailant, including, but not limited to, relocation of the victim to safe, alternative housing and transfer of the victim to alternative classes, if requested.

Sec. 2. Minnesota Statutes 1990, section 595.02, subdivision 4, is amended to read:

Subd. 4. [COURT ORDER.] (a) In a proceeding in which a child less than ~~ten~~ 12 years of age is alleging, denying, or describing:

(1) an act of physical abuse or an act of sexual contact or penetration performed with or on the child or any other person by another; or

(2) an act that constitutes a felony assault committed against the child, the court may, upon its own motion or upon the motion of any party, order that the testimony of the child be taken in a room other than the courtroom or in the courtroom and televised at the same time by closed-circuit equipment, or recorded for later showing to be viewed by the jury in the proceeding.

(b) At the taking of testimony under this subdivision, only the judge, the attorneys for the defendant and for the state, any person whose presence would contribute to the welfare and well-being of the child, persons necessary to operate the recording or closed-circuit equipment and, in a child protection proceeding under chapter 260 or a dissolution or custody proceeding under chapter 518, the attorneys for those parties with a right to participate may be present with the child during the child's testimony.

(c) The court shall permit the defendant in a criminal or delinquency matter to observe and hear the testimony of the child in person. If the court, upon its own motion or the motion of any party, determines that the presence of the defendant during testimony taken pursuant to this subdivision would psychologically traumatize the witness so as to render the witness unavailable to testify, the court may order that the testimony be taken in a manner that:

(1) the defendant can see and hear the testimony of the child in person and communicate with counsel, but the child cannot see or hear the defendant; or

(2) the defendant ~~and child can view each other~~ can see and hear the

testimony of the child by video or television monitor from a separate rooms room and communicate with counsel, but the child cannot see or hear the defendant.

Sec. 3. Minnesota Statutes 1990, section 611A.034, is amended to read:

611A.034 [SEPARATE WAITING AREAS IN COURTHOUSE.]

The court shall provide a waiting area for victims during court proceedings which is separate from the waiting area used by the defendant, the defendant's relatives, and defense witnesses, if such a waiting area is available ~~and its use is practical~~. If a separate waiting area for victims is not available ~~or practical~~, the court shall ~~provide other safeguards to minimize implement procedures that prevent the victim's contact with the defendant, the defendant's relatives, and defense witnesses during court proceedings, such as increased bailiff surveillance and victim escorts.~~

Sec. 4. Minnesota Statutes 1990, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to ~~request that receive restitution be considered~~ as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender ~~if the offender is convicted or found delinquent. The request for restitution shall be made by the victim in writing in affidavit form. The request court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form. Information submitted relating to restitution must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if the request is for monetary restitution is in the form of money or property restitution.~~ A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. In order to be considered ~~by the court, the request at the sentencing or dispositional hearing, all information regarding restitution must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing and must also be provided to the offender at least three business days before the sentencing or dispositional hearing. If the victim's noncooperation prevents the court or its designee from obtaining competent evidence regarding restitution, the court is not obligated to consider information regarding restitution in the sentencing or dispositional hearing. At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts.~~

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

- (1) the offender is on probation or supervised release;
- (2) ~~a request for information regarding restitution is filed by the victim or prosecutor in affidavit form was submitted as required under paragraph (a); and~~
- (3) the true extent of the victim's loss was not known at the time of the

sentencing or dispositional hearing.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if ~~a request for restitution has been made~~ *information relating to restitution has been presented*. If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution.

Sec. 5. Minnesota Statutes 1990, section 611A.04, subdivision 1a, is amended to read:

Subd. 1a. [CRIME BOARD REQUEST.] The crime victims reparations board may request restitution on behalf of a victim by filing a copy of a claim for reparations submitted under sections 611A.52 to 611A.67, along with orders of the board, if any, which detail any amounts paid by the board to the victim. *The board may file the claim with the court administrator or with the person or agency the court has designated to obtain information relating to restitution. In either event, the board shall submit the claim not less than three business days before the sentencing or dispositional hearing. If the board submits the claim directly to the court administrator, it shall also provide a copy to the offender.* The filing of a claim for reparations with the court administrator shall also serve as a request for restitution by the victim. The restitution requested by the board may be considered to be both on its own behalf and on behalf of the victim. If the board has not paid reparations to the victim, restitution may be made directly to the victim. If the board has paid reparations to the victim, the court shall order restitution payments to be made directly to the board.

Sec. 6. Minnesota Statutes 1990, section 611A.52, subdivision 6, is amended to read:

Subd. 6. [CRIME.] (a) "Crime" means conduct that:

(1) occurs or is attempted anywhere within the geographical boundaries of this state, including Indian reservations and other trust lands;

(2) poses a substantial threat of personal injury or death; and

(3) is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the fact that (i) the person engaging in the conduct lacked capacity to commit the crime under the laws of this state; or (ii) the act was alleged or found to have been committed by a juvenile.

(b) A crime occurs whether or not any person is prosecuted or convicted but the conviction of a person whose acts give rise to the claim is conclusive evidence that a crime was committed unless an application for rehearing, appeal, or petition for certiorari is pending or a new trial or rehearing has been ordered.

(c) "Crime" does not include an act involving the operation of a motor vehicle, aircraft, or watercraft that results in injury or death, except that a

crime includes any of the following:

(1) injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or watercraft;

(2) injury or death caused by a driver in violation of section 169.09, subdivision 1; 169.121; or 609.21; and

(3) injury or death caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime in which the driver knowingly and willingly participated.

Sec. 7. [611A.711] [CRIME VICTIM SERVICES TELEPHONE LINE.]

The commissioner of public safety shall operate at least one statewide toll-free 24-hour telephone line for the purpose of providing crime victims with referrals for victim services and resources.

Sec. 8. [611A.76] [MEDIATION PROGRAMS FOR CRIME VICTIMS AND OFFENDERS.]

Subdivision 1. [GRANTS.] The state court administrator shall award grants to nonprofit organizations to create or expand mediation programs for crime victims and offenders. For purposes of this section, "offender" means an adult charged with a nonviolent crime or a juvenile with respect to whom a petition for delinquency has been filed in connection with a nonviolent offense.

Subd. 2. [PROGRAMS.] The state court administrator shall award grants to further the following goals:

(1) to expand existing mediation programs for crime victims and juvenile offenders to also include adult offenders;

(2) to initiate victim-offender mediation programs in areas that have no victim-offender mediation programs;

(3) to expand the opportunities for crime victims to be involved in the criminal justice process;

(4) to evaluate the effectiveness of victim-offender mediation programs in reducing recidivism and encouraging the payment of court-ordered restitution; and

(5) to evaluate the satisfaction of victims who participate in the mediation programs.

Subd. 3. [MEDIATOR QUALIFICATIONS.] The state court administrator shall establish criteria to ensure that mediators participating in the program are qualified.

Subd. 4. [MATCH REQUIRED.] A nonprofit organization may not receive a grant under this section unless the group has raised a matching amount from other sources.

Sec. 9. [611A.77] [CRIME VICTIMIZATION SURVEYS.]

Subdivision 1. [PURPOSE OF SURVEYS.] The commissioner of corrections shall conduct a statewide crime victimization survey every three years. Each survey shall compile information concerning:

(1) the extent to which Minnesota citizens, households, and commercial establishments were victimized by crimes, whether completed or attempted;

- (2) *the characteristics of victims;*
- (3) *the circumstances surrounding the criminal acts, such as the relationship between victim and offender;*
- (4) *the characteristics of offenders;*
- (5) *the extent of victim injuries;*
- (6) *the economic consequences to victims;*
- (7) *whether the use of drugs or alcohol was involved in the incident;*
- (8) *the time and place of criminal acts;*
- (9) *the use of weapons;*
- (10) *whether the incident was reported to police, and if not, the reasons for not doing so; and*
- (11) *whether the incident resulted in a prosecution and the result of that prosecution.*

Subd. 2. [CRIMES.] For purposes of the survey required by subdivision 1, "crime" means a felony crime of violence or crime against property. The commissioner shall develop a list of crimes to be included in the surveys, and may add any nonfelony offense if the commissioner determines that including the offense will substantially increase the value of the surveys.

Subd. 3. [CONSULTANT.] The commissioner shall contract for each three-year survey with a qualified consultant.

Subd. 4. [REPORTS.] The commissioner shall report the survey results to the legislature every third year by January 1, beginning January 1, 1996.

Sec. 10. [EFFECTIVE DATE.]

Sections 3 to 6 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 6

DOMESTIC ABUSE

Section 1. [480.30] [JUDICIAL TRAINING ON DOMESTIC ABUSE.]

The supreme court's judicial education program on domestic abuse must include ongoing training for district court judges on domestic abuse laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

Sec. 2. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 4, is amended to read:

Subd. 4. [ORDER FOR PROTECTION.] There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or on behalf of minor family or household members.

(b) A petition for relief shall allege the existence of domestic abuse, and

shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The clerk of court shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(e) The court shall advise a petitioner under clause (d) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(f) The court shall advise a petitioner under clause (d) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

(g) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

Sec. 3. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

- (1) restrain the abusing party from committing acts of domestic abuse;
- (2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;
- (3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's deliberation under this subdivision shall in no way delay the issuance of an order for protection granting other reliefs provided for in Laws 1985, chapter 195;
- (4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;
- (5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;
- (6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment; ~~and~~

(9) *order the abusing party to pay restitution to the petitioner; and*

(10) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as a civil judgment.

Sec. 4. Minnesota Statutes 1990, section 518B.01, subdivision 13, is amended to read:

Subd. 13. [COPY TO LAW ENFORCEMENT AGENCY.] (a) An order for protection granted pursuant to this section shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the applicant.

Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order for protection issued pursuant to this section.

(b) If the applicant notifies the court administrator of a change in the applicant's residence so that a different local law enforcement agency has jurisdiction over the residence, the order for protection must be forwarded by the court administrator to the new law enforcement agency within 24 hours of the notice. If the applicant notifies the new law enforcement agency that an order for protection has been issued under this section and the

applicant has established a new residence within that agency's jurisdiction, within 24 hours the local law enforcement agency shall request a copy of the order for protection from the court administrator in the county that issued the order.

(c) When an order for protection is granted, the applicant for an order for protection must be told by the court that:

(1) notification of a change in residence should be given immediately to the court administrator and to the local law enforcement agency having jurisdiction over the new residence of the applicant;

(2) the reason for notification of a change in residence is to forward an order for protection to the proper law enforcement agency; and

(3) the order for protection must be forwarded to the law enforcement agency having jurisdiction over the new residence within 24 hours of notification of a change in residence, whether notification is given to the court administrator or to the local law enforcement agency having jurisdiction over the applicant's new residence.

An order for protection is enforceable even if the applicant does not notify the court administrator or the appropriate law enforcement agency of a change in residence.

Sec. 5. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. *Upon conviction, the defendant must be sentenced to a minimum of two days' imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court.* A person who violates this paragraph within two years after a previous conviction under this paragraph or within two years after a previous conviction under a similar law of another state, is guilty of a gross misdemeanor. ~~When a court sentences a person convicted of a gross misdemeanor and does not impose a period of incarceration, the court shall make findings on the record regarding the reasons for not requiring incarceration. Upon conviction, the defendant must be sentenced to a minimum of ten days' imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the applicable minimum sentence provided in this paragraph.~~

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed \$10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also may refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by clause (b).

Sec. 6. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 20. [STATEWIDE APPLICATION.] An order for protection granted under this section applies throughout this state.

Sec. 7. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 21. [ORDER FOR PROTECTION FORMS.] The state court administrator, in consultation with the advisory council on battered women, city and county attorneys, and legal advocates who work with victims, shall develop a uniform order for protection form that will facilitate the consistent

enforcement of orders for protection throughout the state.

Sec. 8. Minnesota Statutes 1990, section 609.135, subdivision 5, is amended to read:

Subd. 5. If a person is convicted of assaulting a spouse or other person with whom the person resides, and the court stays imposition or execution of sentence and places the defendant on probation, the court ~~may~~ *must* condition the stay upon the defendant's participation in counseling or other appropriate programs selected by the court.

Sec. 9. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 ~~or~~, sections 609.221 to 609.2231, *or any similar law of another state*, may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 10. Minnesota Statutes 1990, section 609.605, is amended by adding a subdivision to read:

Subd. 4. [FELONY.] A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person:

(1) is restrained by a temporary or permanent order for protection granted under section 518B.01;

(2) knows that the order has been issued;

(3) violates the order by entering the dwelling of the person who petitioned for the order; and

(4) enters the dwelling when the petitioner is present and without that person's consent.

Sec. 11. Minnesota Statutes 1990, section 611A.0311, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] ~~The commissioner of public safety shall select five county attorneys and five city attorneys whose jurisdictions have higher than a 50 percent dismissal rate of domestic abuse cases and direct them to Each county and city attorney shall develop and implement a written plan to expedite and improve the efficiency and just disposition of domestic abuse cases brought to the prosecuting authority. Domestic abuse advocates, law enforcement officials, and other interested members of the public must have an opportunity to assist in the development of a model plan and in the development or adaptation of the plans in each of the jurisdictions selected for the pilot program jurisdiction. Once a model plan is developed, The commissioner shall make it the model and related training and technical assistance available to all city and county attorneys regardless of whether they are participating in the pilot program. All plans must state goals and contain policies and procedures to address the following matters:~~

(1) early assignment of a trial prosecutor who has the responsibility of handling the domestic abuse case through disposition, whenever feasible, or, where applicable, probation revocation; and early contact between the trial prosecutor and the victim;

(2) procedures to facilitate the earliest possible contact between the prosecutor's office and the victim for the purpose of acquainting the victim with the criminal justice process, the use of subpoenas, the victim's role as a witness in the prosecution, and the domestic abuse or victim services that are available;

(3) procedures to coordinate the trial prosecutor's efforts with those of the domestic abuse advocate or victim advocate, where available, and to facilitate the early provision of advocacy services to the victim;

(4) *procedures to encourage the prosecution of all domestic abuse cases where a crime can be proven;*

(5) methods that will be used to identify, gather, and preserve evidence in addition to the victim's in-court testimony that will enhance the ability to prosecute a case when a victim is reluctant to assist, including but not limited to physical evidence of the victim's injury, evidence relating to the scene of the crime, eyewitness testimony, and statements of the victim made at or near the time of the injury;

(5) (6) procedures for educating local law enforcement agencies about the contents of the plan and their role in assisting with its implementation, *including procedures to make arrests for domestic abuse and violations of an order for protection issued under chapter 518B;*

(6) (7) the use for subpoenas to victims and witnesses, where appropriate;

(7) (8) procedures for annual review of the plan to evaluate whether it is meeting its goals effectively and whether improvements are needed; and

(8) (9) a timetable for implementation.

Sec. 12. Minnesota Statutes 1990, section 611A.0311, subdivision 3, is amended to read:

Subd. 3. ~~[COPY NOTICE FILED WITH DEPARTMENT OF PUBLIC SAFETY.] A copy of the written plan must be filed with the commissioner of public safety on or before November 15, 1990. The Each city and county attorneys selected for the pilot program attorney shall file a status report on the pilot program notice that their prosecution plan has been adopted with the commissioner of public safety by January 1, 1992. The status report must contain information on the number of prosecutions and dismissals of domestic abuse cases in the prosecutor's office June 1, 1994.~~

Sec. 13. Minnesota Statutes 1991 Supplement, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs which provide emergency shelter services and support services to battered women and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations. *By July 1, 1995,*

community-based domestic abuse advocacy and support services programs must be established in every judicial assignment.

Sec. 14. [629.342] [LAW ENFORCEMENT POLICIES FOR DOMESTIC ABUSE ARRESTS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.

Subd. 2. [POLICIES REQUIRED.] Each law enforcement agency shall develop, adopt, and implement a written policy regarding arrest procedures for domestic abuse incidents. In the development of a policy, each law enforcement agency shall consult with domestic abuse advocates, community organizations, and other law enforcement agencies with expertise in the recognition and handling of domestic abuse incidents. The policy shall discourage dual arrests and include consideration of whether one of the parties acted in self defense.

Subd. 3. [ASSISTANCE TO VICTIM WHERE NO ARREST.] If a law enforcement officer does not make an arrest when the officer has probable cause to believe that a person is committing or has committed domestic abuse or violated an order for protection, the officer shall provide immediate assistance to the victim. Assistance includes:

- (1) assisting the victim in obtaining necessary medical treatment;*
- (2) providing the victim with the notice of rights under section 629.341, subdivision 3; and*
- (3) remaining at the scene for a reasonable time until, in the reasonable judgment of the officer, the likelihood of further imminent violence has been eliminated.*

Sec. 15. [EFFECTIVE DATE.]

Sections 5, 8, and 9 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 7 JUVENILES

Section 1. Minnesota Statutes 1991 Supplement, section 260.015, subdivision 2a, is amended to read:

Subd. 2a. [CHILD IN NEED OF PROTECTION OR SERVICES.] "Child in need of protection or services" means a child who is in need of protection or services because the child:

- (1) is abandoned or without parent, guardian, or custodian;
- (2)(i) has been a victim of physical or sexual abuse, or (ii) resides with or has resided with a victim of domestic child abuse as defined in subdivision 24 28, (iii) resides with or would reside with a perpetrator of domestic child abuse, or (iv) is a victim of emotional maltreatment as defined in subdivision 5a;
- (3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;
- (4) is without the special care made necessary by a physical, mental, or

emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;

(5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:

(i) the infant is chronically and irreversibly comatose;

(ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or

(iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;

(6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody;

(7) has been placed for adoption or care in violation of law;

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose behavior, condition, or environment is such as to be injurious or dangerous to the child or others. An injurious or dangerous environment may include, but is not limited to, the exposure of a child to criminal activity in the child's home;

(10) has committed a delinquent act before becoming ten years old;

(11) is a runaway;

(12) is an habitual truant; or

(13) is one whose custodial parent's parental rights to another child have been involuntarily terminated within the past five years.

Sec. 2. Minnesota Statutes 1990, section 260.015, is amended by adding a subdivision to read:

Subd. 28. [CHILD ABUSE.] "Child abuse" means an act that involves a minor victim and that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.321, 609.322, 609.323, 609.324, 609.342, 609.343, 609.344, 609.345, 609.377, 609.378, or 617.246.

Sec. 3. Minnesota Statutes 1990, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may

order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of public safety shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 4. Minnesota Statutes 1990, section 260.161, subdivision 1, is amended to read:

Subdivision 1. (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. *Except as provided in paragraph (b)*, the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, for as long as the records would be retained if the juvenile had been an adult at the time of the offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 5. Minnesota Statutes 1990, section 260.161, is amended by adding a subdivision to read:

Subd. 1a. [RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION.] The juvenile court shall forward to the bureau of criminal apprehension the following data on juveniles adjudicated delinquent for having committed an act described in subdivision 1, paragraph (b):

- (1) the name and birth date of the juvenile;*
- (2) the type of act for which the juvenile was adjudicated delinquent and date of the offense; and*
- (3) the date and county of the adjudication.*

Sec. 6. Minnesota Statutes 1990, section 260.165, is amended by adding a subdivision to read:

Subd. 4. A child may be taken into immediate custody by a peace officer when the peace officer reasonably believes the child to be truant from school and school is in session. The child may be taken into custody under this subdivision only for the limited purpose of transporting the child to the school in which the child is enrolled. When the peace officer and the child arrive at the school, the peace officer shall inform the school that the child was believed to be truant and shall request the school to immediately contact the child's parent, guardian, or custodian.

Sec. 7. Minnesota Statutes 1990, section 260.172, subdivision 1, is amended to read:

Subdivision 1. (a) If a child was taken into custody under section 260.165, subdivision 1, clause (a) or (c)(2), the court shall hold a hearing within 72 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in custody.

(b) In all other cases, the court shall hold a detention hearing:

(1) within 36 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at a juvenile secure detention facility or shelter care facility; or

(2) within 24 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at an adult jail or municipal lockup.

(c) Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, *subject to reasonable conditions of release including, but not limited*

to, a requirement that the child undergo a chemical use assessment as provided in section 260.151, subdivision 1. In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse. In a proceeding regarding a child in need of protection or services, the court, before determining whether a child should continue in custody, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts, or in the case of an Indian child, active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement or to reunite the child with the child's family, or that reasonable efforts were not possible. The court shall also determine whether there are available services that would prevent the need for further detention.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 8. Minnesota Statutes 1990, section 260.185, is amended by adding a subdivision to read:

Subd. 1a. [POSSESSION OF FIREARM.] If the child is petitioned and found delinquent by the court, and the court also finds that the child was in possession of a firearm at the time of the offense, in addition to any other disposition the court shall order that the firearm be immediately seized and forfeited and that the child be required to serve at least 200 hours of community service.

Sec. 9. Minnesota Statutes 1990, section 260.185, subdivision 4, is amended to read:

Subd. 4. All orders for supervision under subdivision 1, clause (b) shall be for an indeterminate period unless otherwise specified by the court, and shall be reviewed by the court at least annually. All orders under subdivision 1, clause (c) shall be for a specified length of time set by the court. However, before an order has expired and upon the court's own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual is no longer a minor becomes 19 years of age. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Sec. 10. [299C.095] [SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILES.]

The bureau shall establish a system for recording the data on adjudicated juveniles received from the juvenile courts under section 5. The data in the system are private data as defined in section 13.02, subdivision 12, but are accessible to a person who has access to the juvenile court records as provided in section 260.161 or under court rule.

Sec. 11. Minnesota Statutes 1990, section 609.055, is amended to read:

609.055 [LIABILITY OF CHILDREN.]

Subdivision 1. [GENERAL RULE.] Children under the age of 14 years are incapable of committing crime.

Subd. 2. [ADULT PROSECUTION.] Children of the age of 14 years or

over but under 18 years may be prosecuted for a criminal offense if the alleged violation is duly referred to the appropriate prosecuting authority in accordance with the provisions of chapter 260. *A child who is 14 years of age or older but under 18 years of age is capable of committing a crime and may be prosecuted for a gross misdemeanor or felony if:*

(1) the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to a hearing under section 260.125, subdivision 2, or pursuant to the waiver of the right to such a hearing, or prosecuted pursuant to this subdivision; and

(2) the child was convicted of the felony offense or offenses for which the child was prosecuted or of a lesser included felony offense.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, section 260.125, subdivision 3a, is repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 7, 9, and 11 are effective August 1, 1992, and apply to violations committed on or after that date.

ARTICLE 8

LAW ENFORCEMENT

Section 1. [169.797] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE RENTAL OR LEASE AGREEMENT.]

Subdivision 1. [DEFINITION.] As used in this section:

(1) "rental or lease agreement" means a written agreement to rent or lease a motor vehicle that contains the name, address, and driver's license number of the renter or lessee; and

(2) "person" has the meaning given the term in section 645.44, subdivision 7.

Subd. 2. [REQUIREMENT.] Every person who rents or leases a motor vehicle in this state for a time period of less than 180 days shall have the rental or lease agreement covering the vehicle in possession at all times when operating the vehicle and shall produce it upon the demand of a peace officer. If the person is unable to produce the rental or lease agreement upon the demand of a peace officer, the person shall, within 14 days after the demand, produce the rental or lease agreement to the place stated in the notice provided by the peace officer. The rental or lease agreement may be mailed by the person as long as it is received within 14 days.

Subd. 3. [PENALTY.] A person who fails to produce a rental or lease agreement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the person or to the address stated on the driver's license, and this service by mail is valid notwithstanding section 629.34. It is not a defense that the person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period.

Subd. 4. [FALSE OR FICTITIOUS RENTAL OR LEASE AGREEMENT.] It is a misdemeanor for any person to alter or make a fictitious rental or lease agreement, or to display an altered or fictitious rental or lease agreement knowing or having reason to know the agreement is altered

or fictitious.

Sec. 2. Minnesota Statutes 1990, section 259.11, is amended to read:
259.11 [ORDER; FILING COPIES.]

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless it finds that there is an intent to defraud or mislead or in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The clerk shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the clerk shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to the county recorder and clerk the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has been convicted of a felony in this or any other state. If so, the court shall, within ten days after the name change application is granted, report the name change to the bureau of criminal apprehension. The person whose name is changed shall also report the change to the bureau of criminal apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the bureau of criminal apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 626.5531, subdivision 1, is amended to read:

Subdivision 1. [REPORTS REQUIRED.] A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe, *or if the victim alleges*, that the offender was motivated to commit the act by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The superintendent of the bureau of criminal apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

- (1) the date of the offense;
- (2) the location of the offense;
- (3) whether the target of the incident is a person, private property, or public property;
- (4) the crime committed;
- (5) the type of bias and information about the offender and the victim that is relevant to that bias;

- (6) any organized group involved in the incident;
- (7) the disposition of the case; ~~and~~
- (8) *whether the determination that the offense was motivated by bias was based on the officer's reasonable belief or on the victim's allegation; and*
- (9) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Sec. 4. Minnesota Statutes 1990, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental, and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace

officers who desire to become peace officers pursuant to clause (g), and section 626.845, subdivision 1, clause (g);

(k) The establishment and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(l) The issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; ~~and~~

(m) *Supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993; and*

(n) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 5. Minnesota Statutes 1990, section 626.8451, is amended to read:

626.8451 [TRAINING IN IDENTIFYING AND RESPONDING TO CERTAIN CRIMES MOTIVATED BY BIAS.]

Subdivision 1. [TRAINING COURSE; CRIMES MOTIVATED BY BIAS.] The board must prepare a training course to assist peace officers in identifying and responding to crimes motivated by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 626.5531. The course must be updated periodically as the board considers appropriate.

Subd. 1a. [TRAINING COURSE; CRIMES OF VIOLENCE.] The board must prepare a training course to assist peace officers in responding to crimes of violence. The course must include information about:

(1) the needs of victims of these crimes and the most effective way to meet those needs;

(2) the extent and causes of violence, which includes sexual abuse, physical violence, and neglect;

(3) identification of violence, which includes physical or sexual abuse and neglect; and

(4) culturally responsive approaches to dealing with victims and perpetrators of violence.

Subd. 2. [PRESERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer ~~after August 1, 1990,~~ unless the individual has received the training described in subdivision 1. *An individual may not be eligible to take the peace officer licensing examination after*

August 1, 1994, unless the individual has received the training described in subdivision 1a.

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under ~~subdivision 1 and 1a~~ subdivisions 1 and 1a. These materials must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to inform and sensitize chief law enforcement officers and other interested persons to the law enforcement issues associated with bias crimes and crimes of violence. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] A chief law enforcement officer must inform all peace officers within the officer's agency of (1) the requirements of section 626.5531, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials.

Sec. 6. [626.8453] [CRIME VICTIM SENSITIVITY TRAINING.]

Subdivision 1. [DEVELOPMENT OF CURRICULUM.] The board shall collaborate with the crime victim and witness advisory council and the school of law enforcement in developing a model training curriculum designed to enhance peace officer sensitivity in interacting with and assisting crime victims.

Subd. 2. [REPORT TO LEGISLATURE.] The board shall submit a written report to the legislature by February 15, 1993, describing the model training curriculum developed under subdivision 1 and providing recommendations on the manner in which the training should be provided to peace officers.

Sec. 7. Minnesota Statutes 1990, section 626.8465, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OF POWERS AND DUTIES.] No law enforcement agency shall utilize the services of a part-time peace officer unless the part-time peace officer exercises the part-time peace officer's powers and duties under the supervision, ~~directly or indirectly~~ of a licensed peace officer designated by the chief law enforcement officer. Supervision also may be via radio communications. With the consent of the county sheriff, the designated supervising officer may be a member of the county sheriff's department.

Sec. 8. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF ASSESSMENT.] There is levied a penalty assessment of ~~12~~ 15 percent on each fine imposed and collected by the courts of this state for traffic offenses in violation of chapters 168 to 173 or equivalent local ordinances, other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle. In cases where the defendant is convicted but a fine is not imposed, or execution of the fine is stayed, the court shall impose a penalty assessment of not

less than \$5 nor more than \$10 when the conviction is for a misdemeanor or petty misdemeanor, and shall impose a penalty assessment of not less than \$10 but not more than \$50 when the conviction is for a gross misdemeanor or felony. Where multiple offenses are involved, the penalty assessment shall be assessed separately on each offense for which the defendant is sentenced. If imposition or execution of sentence is stayed for all of the multiple offenses, the penalty assessment shall be based upon the most serious offense of which the defendant was convicted. Where the court suspends a portion of a fine, the suspended portion shall not be counted in determining the amount of the penalty assessment unless the offender is ordered to pay the suspended portion of the fine. Suspension of an entire fine shall be treated as a stay of execution for purposes of computing the amount of the penalty assessment.

Sec. 9. Minnesota Statutes 1990, section 626.861, subdivision 3, is amended to read:

Subd. 3. [COLLECTION BY COURT.] After a determination by the court of the amount of the fine or penalty assessment due, the court administrator shall collect the appropriate penalty assessment and transmit it to the county treasurer separately with designation of its origin as a penalty assessment, but with the same frequency as fines are transmitted. Amounts collected under this subdivision shall then be transmitted to the state treasurer for deposit ~~in the general fund~~ *for peace officers training, in the same manner as fines collected for the state by a county.* The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 10. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to ~~the general fund~~ *a peace officers training account in the special revenue fund.* The peace officers standards and training board ~~may~~ *shall* allocate from funds appropriated as follows:

(a) ~~Up to~~ 30 percent may be provided for reimbursement to board approved skills courses.

(b) ~~Up to~~ 15 percent may be used for the school of law enforcement.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 and 3 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 9

PUBLIC SAFETY

Section 1. [237.74] [CALLER IDENTIFICATION SERVICES.]

Notwithstanding the provisions of chapter 626A and subject to the approval of the commission, a telephone company may elect to offer, for a reasonable fee, caller identification service to its subscribers who purchase

a caller identification device for installation on the subscriber's telephone or who purchase a telephone with a built-in caller identification device. "Caller identification device" means a device that displays to the person being called the number of the telephone being used by the caller or the name of the subscriber of the telephone being used by the caller.

Sec. 2. Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, ~~felony violations of~~ assault in the first, second, third, and fourth degrees, *assault in the fifth degree that is also domestic abuse as defined in section 518B.01, subdivision 2, assault in the fifth degree if the assault was committed within five years of a previous conviction under sections 609.221 to 609.224, malicious punishment of a child, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, felonious theft, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, or operating a machine gun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.*

Sec. 3. Minnesota Statutes 1990, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a *felony* or crime of violence unless ten years have elapsed since the person has been restored to civil rights or *unless ten years have elapsed since* the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other *felony* or crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been *felonies* or crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person

is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Sec. 4. Minnesota Statutes 1990, section 624.713, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO CONVICTED PERSONS.] When a person is convicted of an offense that results in ineligibility to possess a pistol under this section, the sentencing court shall inform the offender that the offender is not permitted to possess a pistol until ten years have elapsed since the person was restored to civil rights or since the sentence has expired, whichever occurs first, and that the period of ineligibility will be extended if the offender is convicted of any other felony or crime of violence during that time.

Sec. 5. Minnesota Statutes 1990, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a pistol transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, *and distinguishing physical characteristics, if any,* of the proposed transferee; *and*

(c) A statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol.

The statement shall be signed by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 6. Minnesota Statutes 1990, section 624.7131, subdivision 6, is amended to read:

Subd. 6. [PERMITS VALID STATEWIDE; RENEWAL.] Transferee permits issued pursuant to this section are valid statewide and shall expire after one year. A transferee permit may be renewed in the same manner and subject to the same provisions by which the original permit was obtained, *except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 624.7151.* Permits issued pursuant to this section are not transferable. A person who transfers a permit in violation of this subdivision is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1990, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

- (a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;
- (b) The sex, date of birth, height, weight and color of eyes, *and distinguishing physical characteristics, if any,* of the proposed transferee;
- (c) A statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol; and
- (d) The address of the place of business of the transferor.

The report shall be signed by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Sec. 8. Minnesota Statutes 1990, section 624.714, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] A person, other than a law enforcement officer who has authority to make arrests other than citizens arrests, who carries, holds or possesses a pistol in a motor vehicle, snowmobile or boat, or on or about the person's clothes or the person, or otherwise in possession or control in a public place or public area without first having obtained a permit to carry the pistol is guilty of a gross misdemeanor. A person who has been issued a permit and who *fails to have the permit in actual possession whenever the person carries the pistol, or who engages in activities other than those for which the permit has been issued,* is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 1990, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth ~~the name, residence, date of birth, height, weight, color of eyes and hair, sex and distinguishing physical characteristics, if any, of the applicant in writing the following information:~~

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;

(2) *the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;*

(3) *a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol; and*

(4) *a recent color photograph of the applicant.*

The application shall be signed by the applicant.

Sec. 10. Minnesota Statutes 1990, section 624.714, subdivision 7, is amended to read:

Subd. 7. [RENEWAL.] Permits to carry a pistol issued pursuant to this section shall expire after one year and shall thereafter be renewed in the same manner and subject to the same provisions by which the original permit was obtained, *except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 10.*

Sec. 11. [624.7151] [STANDARDIZED FORMS.]

By December 1, 1992, the commissioner of public safety shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993. The adoption of these standards is not subject to the rulemaking provisions of chapter 14.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner of public safety. Notwithstanding the previous sentence, neither failure of the department of public safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Sec. 12. [624.7161] [FIREARMS DEALERS; CERTAIN SECURITY MEASURES REQUIRED.]

Subdivision 1. [DEFINITIONS.] (a) *For purposes of this section, the following terms have the meanings given.*

(b) *“Firearms dealer” means a dealer federally licensed to sell pistols who operates a retail business in which pistols are sold from a permanent business location other than the dealer’s home.*

(c) *“Small firearms dealer” means a firearms dealer who operates a retail business at which no more than 50 pistols are displayed for sale at any time.*

(d) *“Large firearms dealer” means a firearms dealer who operates a retail business at which more than 50 pistols are displayed for sale at any time.*

Subd. 2. [SECURITY MEASURES REQUIRED.] *A small firearms dealer shall place all pistols that are located in the dealer’s place of business*

in a locked safe after business hours. The safe must comply with the Underwriters Laboratories Burglary Resistive Safe Classification TL-15 and must be anchored to prevent its removal from the premises.

Subd. 3. [SECURITY STANDARDS.] The commissioner of public safety shall adopt standards specifying minimum security requirements for small and large firearms dealers. By January 1, 1993, all firearms dealers shall comply with the standards. The standards may provide for:

- (1) alarm systems for small and large firearms dealers;*
- (2) site hardening and other security measures required for large firearms dealers;*
- (3) a system of inspections by local law enforcement officials for compliance with the standards; and*
- (4) other reasonable requirements necessary to reduce the risk of burglaries at firearms dealers' business establishments.*

Sec. 13. Minnesota Statutes 1990, section 626A.02, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.20 for an operator of a switchboard, or an officer, employee, or agent of a provider of wire or electronic communication service, whose facilities are used in the transmission of a wire communication, to intercept, disclose, or use that communication in the normal course of employment while engaged in any activity which is a necessary incident to the rendition of that service or to the protection of the rights or property of the provider of that service, except that a provider of wire communication service to the public shall not utilize service observing or random monitoring except for mechanical or service quality control checks.

(b) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.20 for an officer, employee, or agent of the Federal Communications Commission, in the normal course of employment and in discharge of the monitoring responsibilities exercised by the commission in the enforcement of chapter 5 of title 47 of the United States Code, to intercept a wire or electronic communication, or oral communication transmitted by radio, or to disclose or use the information thereby obtained.

(c) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.20 for a person acting under color of law to intercept a wire, electronic, or oral communication, where such person is a party to the communication or one of the parties to the communication has given prior consent to such interception.

(d) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.20 for a person not acting under color of law to intercept a wire, electronic, or oral communication where such person is a party to the communication or where one of the parties to the communication has given prior consent to such interception unless such communication is intercepted for the purpose of committing any criminal or tortious act in violation of the constitution or laws of the United States or of any state.

(e) It is not a violation of sections 626A.01 to ~~626A.23~~ 626A.20 or sections 626A.26 to 626A.34 for a person:

- (1) to intercept or access an electronic communication made through an electronic communication system that is configured so that the electronic

communication is readily accessible to the general public;

(2) to intercept any radio communication that is transmitted:

(i) by a station for the use of the general public, or that relates to ships, aircraft, vehicles, or persons in distress;

(ii) by a governmental, law enforcement, civil defense, private land mobile, or public safety communications system, including police and fire, readily accessible to the general public;

(iii) by a station operating on an authorized frequency within the bands allocated to the amateur, citizens band, or general mobile radio services; or

(iv) by a marine or aeronautical communications system;

(3) to engage in any conduct which:

(i) is prohibited by section 553 of title 47 of the United States Code; or

(ii) is excepted from the application of section 605(a) of title 47 of the United States Code by section 605(b) of that title;

(4) to intercept a wire or electronic communication the transmission of which is causing harmful interference to any lawfully operating station or consumer electronic equipment, to the extent necessary to identify the source of such interference; or

(5) for other users of the same frequency to intercept any radio communication made through a system that utilizes frequencies monitored by individuals engaged in the provision or the use of such system, if the communication is not scrambled or encrypted.

(f) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.20:

(1) to use a pen register or a trap and trace device as those terms are defined by section 626A.39; or

(2) for a provider of electronic communication service to record the fact that a wire or electronic communication was initiated or completed in order to protect the provider, another provider furnishing service toward the completion of the wire or electronic communication, or a user of that service, from fraudulent, unlawful, or abusive use of the service.

(g) It is not unlawful under sections 626A.01 to ~~626A.23~~ 626A.20 for a person not acting under color of law to intercept the radio portion of a cordless telephone communication that is transmitted between the cordless telephone handset and the base unit if the initial interception of the communication was obtained inadvertently.

(h) *It is not unlawful under sections 626A.01 to 626A.20 for a person to use a caller identification service or device authorized by section 1.*

Sec. 14. [ADVISORY TASK FORCE.]

The commissioner of public safety shall appoint a task force to recommend firearms dealers' security standards as required by section 12. The task force shall consist of appropriate interested persons, including firearms dealers and crime prevention officers. The task force shall recommend standards by September 1, 1992, and the commissioner shall adopt standards by October 1, 1992.

Sec. 15. [EFFECTIVE DATE.]

Sections 2 to 4 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 14 is effective the day following final enactment.

ARTICLE 10

APPROPRIATIONS

Section 1. [APPROPRIATIONS; DEPARTMENT OF CORRECTIONS.]

(a) \$ is appropriated from the general fund to the commissioner of corrections for the fiscal year ending June 30, 1993, to be used for grants for crime victim programs and services. The commissioner shall give priority in awarding grants to those areas and regions in the state that currently have insufficient programs or services for crime victims.

(b) \$ is appropriated from the general fund to the commissioner of corrections for services for victims of sexual assault to be available until June 30, 1993.

(c) \$ is appropriated from the general fund to the commissioner of corrections for services for victims of domestic abuse to be available until June 30, 1993.

(d) \$ is appropriated from the general fund to the commissioner of corrections for purposes of making grants for domestic abuse programs required under article 6, section 12, to be available until June 30, 1993.

(e) \$ is appropriated from the general fund to the commissioner of corrections to provide special programming for juveniles convicted in adult court and committed to the commissioner of corrections to be available until June 30, 1993.

(f) \$ is appropriated from the general fund to the commissioner of corrections to conduct the crime victimization survey required by article 5, section 9, to be available until June 30, 1993.

Sec. 2. [APPROPRIATION; SUPREME COURT.]

\$ is appropriated to the supreme court for victim-offender mediation programs to be available until June 30, 1993.

Sec. 3. [APPROPRIATION; DEPARTMENT OF HUMAN SERVICES.]

\$ is appropriated from the general fund to the commissioner of human services to increase the availability of and access to treatment for juvenile victims of child abuse to be available until June 30, 1993.

Sec. 4. [APPROPRIATION; STATE BOARD OF PUBLIC DEFENSE.]

\$ is appropriated from the general fund to the state board of public defense.”

Delete the title and insert:

“A bill for an act relating to crime; increasing penalties for repeat and violent sex offenders; providing for life imprisonment for certain repeat sex offenders; increasing supervision of sex offenders following release from prison; eliminating the “good time” reduction in a prison sentence; allowing the extension of prison terms for disciplinary violations in prison; prohibiting the release of a prison inmate on a weekend or holiday; requiring review of sex offenders for psychopathic personality commitment before prison release; providing for mediation programs for crime victims and offenders;

requiring training of peace officers regarding crimes of violence; providing for automatic prosecution in adult court of previously certified juveniles; requiring city and county attorneys to adopt a domestic abuse prosecution plan; defining child abuse; increasing penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; allowing telephone companies to offer caller identification service to subscribers; requiring a crime victimization survey; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 135A.15; 241.67, subdivisions 3 and 6; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 253B.18, subdivision 2; 259.11; 260.015, by adding a subdivision; 260.151, subdivision 1; 260.161, subdivision 1, and by adding a subdivision; 260.165, by adding a subdivision; 260.172, subdivision 1; 260.185, subdivisions 1, 4, and by adding a subdivision; 518B.01, subdivision 13, and by adding subdivisions; 526.10; 595.02, subdivision 4; 609.055; 609.135, subdivision 5; 609.1351; 609.1352, subdivisions 1 and 5; 609.15, subdivision 2; 609.152, subdivisions 2 and 3; 609.184, subdivisions 1 and 2; 609.185; 609.19; 609.21, subdivisions 1, 2, 2a, 3, and 4; 609.222; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.342, subdivision 2; 609.343, subdivision 2; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.605, by adding a subdivision; 609.713; 611A.0311, subdivisions 2 and 3; 611A.034; 611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.713, subdivision 1, and by adding a subdivision; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 1, 3, and 7; 626.5531, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 626.861, subdivision 3; 626A.02, subdivision 2; 630.36, subdivision 1; Minnesota Statutes 1991 Supplement, sections 8.15; 244.05, subdivision 6; 244.12, subdivision 3; 260.015, subdivision 2a; 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; 611A.32, subdivision 1; 624.712, subdivision 5; and 626.861, subdivisions 1 and 4; proposing coding for law in Minnesota Statutes, chapters 169; 237; 244; 299C; 480; 526; 611A; 624; 626; and 629; repealing Minnesota Statutes 1990, section 260.125, subdivision 3a.”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2291: A bill for an act relating to tax increment financing; clarifying, recodifying, and providing tax increment financing procedures and requirements; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Minnesota Statutes 1990, section 273.1399, as amended.

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

Page 1, after line 7, insert:

“ARTICLE 1

TAX INCREMENT FINANCING LAW”

Page 2, line 14, delete “469.060” and insert “469.068”

Page 2, line 17, delete “469.100” and insert “469.108”

Page 5, after line 18, insert:

"Subd. 24. [ORIGINAL LOCAL TAX RATE.] "Original local tax rate" means, with respect to a parcel in a district, the sum of the local tax rates for the parcel imposed by the taxing jurisdictions in which the parcel is located as of the date of certification or, if later, the date the parcel is added to the district."

Page 6, lines 31 and 34, after "aggregate" insert "equalized"

Page 7, line 20, delete "part"

Page 7, line 21, delete "of"

Renumber the subdivisions in sequence

Page 8, line 23, delete the semicolon and insert a comma

Page 8, line 25, delete the first "a"

Page 9, line 25, delete "concerning" and insert "of"

Page 9, line 29, after the first "district," insert "a pre-1979 district,"

Page 10, line 29, after the period, insert "Within 30 days after the date the resolution approving the plan is adopted by the municipality, an executed copy of the plan must be delivered to the commissioner of revenue."

Page 13, line 2, after "begins" insert "acquisition,"

Page 13, line 10, after the period, insert "The county auditor must enforce the provisions of this subdivision."

Page 15, line 4, delete ", or if 95 percent of the dwelling units in" and insert a period

Page 15, delete lines 5 to 10

Page 15, line 11, delete "Internal Revenue Code."

Page 15, line 23, after "rehabilitated" insert ", if at least 85 percent of the property is used"

Page 15, line 30, delete "and" and insert "or"

Page 20, line 17, delete "of"

Page 23, lines 4, 10, and 14, delete "part" and insert "amount"

Page 23, lines 5, 11, and 15, delete "the parcels" and insert "each parcel"

Page 23, line 27, after "The" insert "portion of the" and after "revenues" insert "equal to the product of the captured tax capacity and the lesser of the original local tax rate or the local tax rate"

Page 23, line 30, after the period, insert "If the original local tax rate is less than the local tax rate, then the difference between the product of the captured tax capacity and the local tax rate and the product of the captured tax capacity and the original local tax rate is treated as if it is excess tax increment and must be distributed under the terms of section 6 [469.1795], subdivision 1, paragraphs (a), clause (7), and (f)."

Page 26, line 19, delete "part" and insert "amount"

Page 27, line 19, delete "part" and insert "amount"

Page 29, line 7, delete "given" and insert "stated"

Page 33, line 24, delete everything after "(1)"

Page 33, line 25, delete everything before "the" and insert "on the date"

Page 33, line 26, delete "after May 1, 1988"

Page 33, line 27, delete "at the time the referendum is approved"

Page 33, line 32, after "district" insert "in accordance with section 124A.03, subdivision 2, paragraph (g). The school districts must use the tax increment in the same manner as the money derived from the referendum levy"

Page 34, line 16, after "project" insert "created after the effective date of sections 1 [469.179] to 10 [469.179]"

Page 35, line 11, after the period, insert "The county auditor must report to the commissioner of education the amount of any excess tax increment distributed to a school district within 30 days of the distribution. The amounts distributed to a city or county must be deducted from the levy limits of the governmental unit for the following year. In calculating the levy limit base for later years, the amount deducted must be treated as a local government aid payment."

Page 35, line 33, after "district" insert ", excluding hazardous substance districts, manufacturing districts that provide financial assistance to a tourism facility, and redevelopment districts,"

Page 36, line 28, delete "or (2)" and insert ", (2), or (3)"

Page 38, line 25, after "procedures" insert ", or the transfer is made to the political subdivision according to a central service cost allocation plan, as described by Office of Management and Budget circular A-87, and the plan has been approved by the state auditor"

Page 40, line 15, after "of" insert "relocation costs,"

Page 40, line 20, after the comma, insert "credit enhanced bonds or"

Page 41, line 4, after "the" insert "relocation costs,"

Page 41, line 5, after "expenses" insert a comma

Page 41, line 23, after the comma, insert "credit enhanced bonds or"

Page 42, delete lines 3 to 7

Page 42, line 8, delete "(2)" and insert "(1)"

Page 42, line 11, delete "issued"

Page 42, line 12, delete "under section 143(f)" and insert "within the meaning of section 143"

Page 42, line 13, delete "(3)" and insert "(2)"

Page 42, line 20, delete "satisfies the income requirements for" and insert "is occupied by persons and families of low or moderate income"

Page 42, delete line 21

Page 42, line 22, delete "142(d) of the Internal Revenue Code"

Page 42, line 27, after the period, insert "Rental housing will be considered occupied by persons and families of low or moderate income if the"

rental and occupancy requirements of section 142(d) of the Internal Revenue Code are satisfied, or if 50 percent or more of the dwelling units in the rental housing are occupied by individuals whose income is 80 percent or less of the area median income, as defined in section 142(d) of the Internal Revenue Code."

Page 42, line 30, delete "*before the effective date of sections 1*"

Page 42, line 31, delete "[469.179] to 10 [469.1799]"

Page 43, line 17, after "*of*" insert "*a public improvement,*" and after "*facility*" insert a comma

Page 43, line 19, after "4" insert "*, or relocation costs*"

Page 43, line 21, after the comma, insert "*credit enhanced bonds or*"

Page 44, line 3, after the comma, insert "*pay the principal, premium, or purchase price of, or interest on, credit enhanced bonds or bonds issued to finance such costs, or pay relocation costs,*"

Page 44, line 16, after the comma, insert "*pay the principal, premium, or purchase price of, or interest on, credit enhanced bonds or bonds issued to finance such costs, or pay relocation costs,*"

Page 45, line 4, after the comma, insert "*pay relocation costs,*"

Page 45, lines 6 and 24, before "*pay*" insert "*to*"

Page 45, line 7, after the comma, insert "*credit enhanced bonds or*"

Page 45, line 26, after the second comma, insert "*pay relocation costs,*"

Page 45, line 30, after the comma, insert "*credit enhanced bonds or*"

Page 50, line 25, delete "*are*" and insert "*is*" and delete "*a federal volume limitation*"

Page 50, delete line 26

Page 50, line 27, delete "*subdivision 9, or existing*"

Page 55, line 6, delete "*or*"

Page 55, line 7, delete "*after May 1, 1992,*"

Page 55, line 9, delete "*1988*" and insert "*1992*"

Page 55, line 13, delete "*1988*" and insert "*1992*"

Page 55, line 27, after the period, insert "*Section 6 [469.1795], subdivision 3, paragraph (d), is effective after December 31, 1992, for property and facilities acquired or constructed after December 31, 1992.*"

Page 55, after line 29, insert:

“ARTICLE 2

RELATED PROVISIONS

Section 1. Minnesota Statutes 1990, section 8.31, is amended by adding a subdivision to read:

Subd. 4. [CIVIL ACTIONS UNDER SECTION 115B.04.] Upon the request of an authority, as defined in article 1, section 1 [469.179], subdivision 4, the attorney general may bring a civil action under section 115B.04 or other law, or the attorney general may intervene in an action

brought by an authority. The attorney general may provide legal and technical advice or other assistance to an authority commencing such a civil action. The attorney general may deduct its administrative costs and litigation expenses from any recovery. The attorney general may accept tax increment from an authority as reimbursement for the administrative costs and litigation expenses of the attorney general. Any recovered administrative expenses or litigation costs must be deposited in the general fund of the state to the account of the attorney general.

Sec. 2. Minnesota Statutes 1990, section 116.07, is amended by adding a subdivision to read:

Subd. 4l. [HAZARDOUS SUBSTANCE DISTRICTS.] The agency shall review and, in its discretion, approve action proposals, as defined in article 1, section 1 [469.179], subdivision 2, with respect to hazardous substance districts, as defined in article 1, section 1 [469.179], subdivision 15. The agency shall render any services requested by the attorney general with respect to actions in a hazardous substance district undertaken by the attorney general under section 8.31. The agency may accept tax increment from an authority, as defined in article 1, section 1 [469.179], subdivision 4, in reimbursement for expenses incurred by the agency in reviewing and approving plans and in rendering services to the attorney general. Any reimbursements must be deposited in the environmental response, compensation, and compliance account in the environmental fund in the state treasury.

Sec. 3. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 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. 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 revenue per actual pupil unit, the estimated net tax capacity rate in the first year it is to be levied, and that the revenue 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, not to exceed five, 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 revenue proposed by (petition to) the board of, School District No., be approved?”

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year 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 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 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: "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 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 referendum to revoke or reduce the levy amount must 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. Revenue approved by the voters of the district pursuant to paragraph (a) must be 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 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.

(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.

(h) The district may accept from an authority, as defined in article 1, section 1 [469.179], subdivision 4, tax increment attributable to a referendum levy under the terms of article 1, section 6 [469.1795], subdivision 1, paragraphs (a), clause (5), and (d), and the school board may approve such payments under article 1, section 6 [469.1795], subdivision 1, paragraph (d), clause (2).

Sec. 4. 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) *receive and retain plans, as defined in article 1, section 1 [469.179], subdivision 27, acknowledge the receipt of plans, and make the plans available to the public;*

(22) *at the discretion of the commissioner, audit the use of tax increment financing by an authority, as defined in article 1, section 1 [469.179], subdivision 4, or bring suit for equitable relief or for damages arising out of a failure of a municipality, as defined in article 1, section 1 [469.179], subdivision 21, or authority to comply with article 1, sections 1 [469.179] to 10 [469.1799] or related provisions of chapter 469, with respect to any district, as defined in article 1, section 1 [469.179], subdivision 13, in the municipality or authority; and*

(23) exercise other powers and perform other duties required of or imposed upon the commissioner of revenue by law."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1990, sections 8.31, by adding a subdivision; 116.07, by adding a subdivision; and 270.06; Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2;"

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

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

S.F. No. 2337: A bill for an act relating to human services; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivision 19a; and 256B.0627, subdivisions 5 and 6.

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

Page 1, after line 10, insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 6a, is amended 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 program is funded under a home- and community-based services waiver or unless the commissioner of human services 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.*”

Page 2, line 4, strike the second comma and insert “or”

Page 2, line 5, strike “their” and insert “*the recipient’s*”

Page 2, line 6, strike “or the recipient’s legal guardian” and insert “*unless, in the case of a foster provider, a county or state case manager visits the recipient as needed, but no less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are met*”

Page 2, line 9, strike “An exception”

Page 2, strike lines 10 and 11

Page 2, after line 11, insert:

“Sec. 3. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (a) “Home care services” means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan that is reviewed by the physician at least once every 60 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.

(b) “Medically necessary” has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) "Care plan" means a written description of the services needed which ~~shall include~~ *is signed by the recipient or responsible party and includes 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,~~ and expected outcomes and goals including expected date of goal accomplishment.

(d) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the supportive care necessary to assist the recipient to live in the community, is at least 18 years old, and is not a personal care assistant. Responsible parties who are parents of minors or guardians of minors or incapacitated persons who delegate the responsibility to another adult during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of responsible party, except that the delegated responsible party is required to reside with the recipient only while serving as the responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home if case management is provided as required in section 256B.0625, subdivision 19a. For persons sharing personal care services in order to obtain the availability of 24-hour coverage, an employee of the personal care provider organization may be designated as the responsible party if case management is provided as required in section 256B.0625, subdivision 19a.

Sec. 4. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 4, is amended to read:

Subd. 4. [PERSONAL CARE SERVICES.] (a) 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) 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).

(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 developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or 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;

(4) *services provided by a foster care provider of a recipient who cannot direct their own care, unless ~~prior authorized by the commissioner under paragraph (j)~~ monitored by a county or state case manager under section 256B.0625, subdivision 19a;*

(5) sterile procedures;

(6) injections of fluids into veins, muscles, or skin;

(7) 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 part-time or 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;

(8) homemaker services that are not an integral part of a personal care services; and

(9) home maintenance, or chore services."

Page 4, line 12, after the period, insert "*When home health services are used in combination with personal care and private duty nursing, the cost of all home care services shall be considered for cost effectiveness.*"

Page 7, line 30, after the first comma, insert "*the cost effectiveness of services,*"

Page 7, line 33, after the first comma, insert "*the cost of services,*"

Page 8, line 18, strike everything after "or" and insert "*case management is provided as required in section 256B.0625, subdivision 19a*"

Page 8, line 19, strike everything before the semicolon

Page 8, line 23, strike everything after "unless"

Page 8, strike line 24

Page 8, line 25, strike "evaluation team" and insert "*case management is provided as required in section 256B.0625, subdivision 19a*"

Page 8, line 27, after "four" insert "*unless the county responsible for the recipient's foster placement requests that services be provided as required in section 256B.0625, subdivision 19a*"

Page 8, line 29, strike "less the base rate" and insert "*other than room and board payments plus the cost of home- and community-based waived services*"

Page 9, line 5, delete "3" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for medical assistance coverage of home health services delivered in a facility under certain circumstances;"

Page 1, line 5, after the semicolon, insert "allowing foster care providers to deliver personal care services if monitored; defining responsible party;"

Page 1, line 7, after the semicolon, insert "requiring cost effectiveness of services to be considered;"

Page 1, line 8, delete "subdivision" and insert "subdivisions 6a and"

Page 1, line 9, after "subdivisions" insert "1, 4," and after "5" insert a comma

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

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

S.F. No. 1946: A bill for an act relating to juveniles; establishing a youth employment and education pilot program; appropriating money for the pilot program.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2531: A bill for an act relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

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

Page 1, line 7, after "law" insert "*to the contrary*" and before "*the*" insert "*but subject to Minnesota Statutes, section 69.77, subdivision 1,*"

Page 1, line 14, delete "*shall*" and insert "*must*"

Page 1, line 22, delete "*beneficiaries would then*" and insert "*benefit recipients must*"

Page 1, line 23, after the period, insert "*For deferred service pensioners, the percentage must be applied to the initially calculated deferred service*"

pension amount, plus any prior percentage increases granted since the date on which the deferred service pensioner terminated active service."

Page 1, delete lines 24 and 25 and insert:

"The increase also must be granted to the three benefit recipients who had no automatic postretirement adjustments payable as of December 31, 1991."

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2547: A bill for an act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.

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

Page 9, line 18, before the first "the" insert "*notwithstanding a contrary provision of Minnesota Statutes, section 69.80,*"

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. 31: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; providing for fees; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

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

Page 1, line 18, before the period, insert "*and is registered with a state or federal approval agency*"

Page 4, line 8, delete "*exempt from examination*" and insert "*eligible for licensure or certification without examination for two years after the*

effective date of this section”

Page 4, line 9, before the comma, insert “*for the two-year period*”

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. 1970: A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

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

Page 3, after line 31, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment.”

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2412: A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections; amending Laws 1955, chapter 151, section 1, subdivision 3, as amended.

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

Page 1, line 12, delete “*or*” and insert a comma

Page 1, line 13, after “4” insert “, *or acting on any question at a regular membership meeting or a special membership meeting*”

Page 2, after line 5, insert:

“(c) Notwithstanding any provision of law, relief association articles of incorporation, or relief association bylaws to the contrary, for a question considered at a regular membership meeting or a special membership meeting to be approved, approval must be given by both a majority of members described in paragraph (b) and a majority of members described in paragraph (a) but not also described in paragraph (b).”

Amend the title as follows:

Page 1, line 5, after “elections” insert “and other governance issues”

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2485: A bill for an act relating to telecommunications; establishing a grant and loan program to assist political subdivisions of the state and other public entities to participate in regional or statewide telecommunications systems; authorizing the issuance and sale of state bonds for the program; appropriating money.

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

Page 1, line 15, delete everything after "in"

Page 1, line 16, delete "including"

Page 1, line 20, before "Half" insert "Up to" and delete "and half" and insert ". The remainder must be used"

Page 1, after line 21, insert:

"Subd. 2. [RESTRICTIONS ON USE OF MONEY.] Loan and grant money under the program may be used for on-site construction and renovation costs, on-site design and engineering costs, and on-site equipment costs. Money may not be used to purchase off-site telecommunications transmission facilities and equipment.

Subd. 3. [REGIONAL ADVISORY GROUPS.] The commissioners shall appoint a regional telecommunications advisory group for each economic development region. A regional telecommunications advisory group must include, at a minimum, representation from health care providers, elementary and secondary education, post-secondary education, city or county government, the judicial system, state agencies that have offices or facilities in the region, and local telecommunications providers. In addition, an advisory group's membership must reflect broad geographic representation from within the region."

Page 1, line 25, delete "and that can"

Page 1, line 26, delete everything before the period

Page 2, line 10, delete "or" and insert "and"

Page 2, line 11, delete "community or"

Page 2, line 12, delete everything after "group"

Page 2, delete lines 13 and 14

Page 2, line 15, delete everything before the semicolon and insert "appointed under subdivision 3"

Page 2, line 21, delete "and"

Page 2, line 22, delete "be duplicated" and insert "serve as a model to be replicated"

Page 2, line 25, delete the period and insert "; and

(7) the applicant can demonstrate financial need.

In determining whether projects meet the criterion set out in clause (2), the commissioners shall give preference to plans that maximize public access for the region."

Page 2, line 26, delete "*In addition*" and insert "*Of applicants that satisfy the criteria in paragraph (a)*"

Page 2, line 34, delete everything after the period

Page 2, delete lines 35 and 36 and insert:

"(d) The commissioners shall administer the program in a minimum of two application and grant cycles a year, with the first round of awards to be announced no later than August 1, 1992. Any money designated for an economic development region that is not awarded within that region in earlier cycles is available in the final cycle of the year to qualified applicants in all regions."

Page 3, delete line 1

Page 3, line 7, delete everything after "*loans*" and insert "*. In addition, money in the account is to be used to pay costs incurred by the commissioner of trade and economic development and the commissioner of administration to administer*"

Page 3, line 8, delete "*administering*"

Renumber the subdivisions in sequence

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

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2483: A bill for an act relating to alcoholic beverages; authorizing the sale of liqueur-filled candy in confectionery stores; amending Minnesota Statutes 1990, section 31.121.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department

or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by the governor, the lieutenant governor, the division of criminal apprehension, *division of liquor control*, division of gambling enforcement, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, division of state lottery in the department of gaming, criminal investigators of the department of revenue, state-owned community service facilities in the department of human services, the investigative staff of the department of jobs and training, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1990, section 31.121, is amended to read:

31.121 [FOOD ADULTERATION.]

A food shall be deemed to be adulterated:

(a) If it bears or contains any poisonous or deleterious substance which may render it injurious to health; but in case the substance is not an added substance such food shall not be considered adulterated under this clause if the quantity of such substance in such food does not ordinarily render it injurious to health; or

(b) If it bears or contains any added poisonous or added deleterious substance, other than one which is a pesticide chemical in or on a raw agricultural commodity; a food additive; or a color additive, which is unsafe within the meaning of section 31.122; or

(c) If it is a raw agricultural commodity and it bears or contains a pesticide chemical which is unsafe within the meaning of section 31.122; or

(d) If it is or it bears or contains any food additive which is unsafe within the meaning of section 31.122; provided that where a pesticide chemical has been used in or on a raw agricultural commodity in conformity with an exemption granted or tolerance prescribed under section 31.122, and such raw agricultural commodity has been subjected to processing such as canning, cooking, freezing, dehydrating, or milling, the residue of such pesticide chemical remaining in or on such processed food shall, notwithstanding the provisions of section 31.122 and this clause, not be deemed unsafe if such residue in or on the raw agricultural commodity has been removed to the extent possible in good manufacturing practice, and the concentration of such residue in the processed food when ready to eat is not greater than the tolerance prescribed for the raw agricultural commodity; or

(e) If it consists in whole or in part of a diseased, contaminated, filthy, putrid, or decomposed substance, or if it is otherwise unfit for food; or

(f) If it has been produced, prepared, packed, or held under insanitary conditions whereby it may have become contaminated with filth, or whereby it may have been rendered diseased, unwholesome, or injurious to health; or

(g) If it is in whole or in part the product of a diseased animal or of an animal which has died otherwise than by slaughter, or of an animal that has been fed upon the uncooked offal from a slaughterhouse; or

(h) If its container is composed in whole or in part of any poisonous or deleterious substance which may render the contents injurious to health; or

(i) If it has been intentionally subjected to radiation, unless the use of the radiation was in conformity with a rule or exemption in effect pursuant to section 31.122 or section 409 of the federal act; or

(j) If any valuable constituent has been in whole or in part omitted or abstracted therefrom; or

(k) If any substance has been substituted wholly or in part therefor; or

(l) If damage or inferiority has been concealed in any manner; or

(m) If any substance has been added thereto or mixed or packed therewith so as to increase its bulk or weight, or reduce its quality or strength or make it appear better or of greater value than it is; or

(n) If it is confectionery, and (1) has partially or completely imbedded therein any nonnutritive object; provided, that this clause shall not apply in the case of any nonnutritive object if in the judgment of the commissioner, as provided by rules, such object is of practical functional value to the confectionery product and would not render the product injurious or hazardous to health; or (2) bears or contains any nonnutritive substance; provided, that this clause shall not apply to a safe nonnutritive substance which is in or on confectionery by reason of its use for some practical functional purpose in the manufacture, packaging, or storing of such confectionery if the use of the substance does not promote deception of the consumer or otherwise result in adulteration or misbranding in violation of any provision of the Minnesota food law; and provided further, that the commissioner may, for the purpose of avoiding or resolving uncertainty as to the application of this clause, issue rules allowing or prohibiting the use of particular nonnutritive substances; or (3) bears or contains alcohol in excess of one-half of one percent by volume; provided that this clause does not apply to liqueur-filled candy that may be sold only in exclusive liquor stores as authorized under section 340A.908 or to confectionery containing alcohol which complies with all of the following conditions:

(i) it contains less than five percent alcohol by volume;

(ii) it is not sold in a form containing liquid alcohol;

(iii) it is not sold to persons under the age of 21;

(iv) it is labeled with a conspicuous, readily legible statement that reads: "This product may not be sold to anyone under 21 years of age";

(v) it is labeled with a conspicuous, readily legible statement that the product contains not more than five percent alcohol by volume; and

(vi) it may only be sold in or from a business establishment which derives more than 50 percent of its gross sales from the sale of confectioneries or an exclusive liquor store; or

(o) If it is or bears or contains any color additive which is unsafe within the meaning of section 31.122; or

(p) If it is oleomargarine or margarine or butter and any of the raw

material used therein consisted in whole or in part of any filthy, putrid, or decomposed substance, or such oleomargarine or margarine or butter is otherwise unfit for food.

Sec. 3. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work ~~and~~, liquor investigations, arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt

number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 4. Minnesota Statutes 1990, section 340A.101, is amended by adding a subdivision to read:

Subd. 15b. [LIQUEUR-FILLED CANDY.] "Liqueur-filled candy" is any confectionery containing more than one-half of one percent alcohol by volume in liquid form that is intended for or capable of beverage use.

Sec. 5. Minnesota Statutes 1991 Supplement, 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. The license fee is intended to cover the costs of issuing and inspecting and other directly related costs of enforcement.

(b) The annual license fee for an on-sale intoxicating liquor license issued by a 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. 6. Minnesota Statutes 1990, section 340A.602, is amended to read:

340A.602 [CONTINUATION.]

In any city in which the report of the operations of a municipal liquor store has shown *in any two of three consecutive years both (1) a net loss* ~~in any two of three consecutive years or has shown~~ *and (2) that no contribution*

to other municipal funds has been made from the net income of the operation in any two of three consecutive years, the city council shall, not more than 45 days prior to the end of the fiscal year following the three-year period, hold a public hearing on the question of whether the city shall continue to operate a municipal liquor store. Two weeks notice, written in clear and easily understandable language, of the hearing must be printed in the city's official newspaper. Following the hearing the city council may on its own motion or shall upon petition of five percent or more of the registered voters of the city, submit to the voters at a general or special municipal election the question of whether the city shall continue or discontinue municipal liquor store operations by a date which the city council shall designate. The date designated by the city council must not be more than 30 months following the date of the election.

Sec. 7. [BLAINE; ON-SALE INTOXICATING LIQUOR LICENSE.]

The city of Blaine may issue an on-sale intoxicating liquor license to the Minnesota amateur sports commission established in Minnesota Statutes, section 240A.02, for the National Sports Center. The license authorizes the sale of intoxicating liquor to persons attending social events at the center, but does not authorize the sale of intoxicating liquor at any youth athletic contest at the center. The license issued under this section is in addition to all other licenses authorized by law. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section.

Sec. 8. [ON-SALE LICENSE; BLUE EARTH COUNTY.]

The Blue Earth county board may issue an on-sale intoxicating liquor license to a billiard hall located within South Bend township in the county, without regard to whether the licensed establishment meets the definition of "restaurant" in Minnesota Statutes, section 340A.101, subdivision 25. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized under this section.

Sec. 9. [ON-SALE LICENSE; DULUTH.]

Notwithstanding any law to the contrary, the city of Duluth may issue an on-sale intoxicating liquor license to a restaurant located at 109 North Second Avenue West in the city of Duluth. The license authorized by this section is in addition to any other licenses authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 10. [LAKE TOWNSHIP; OPERATION OF LIQUOR STORE.]

Notwithstanding any other provision of law, the town board of Lake township in Roseau county may by majority vote establish, own, and operate an exclusive liquor store within the township for the off-sale of intoxicating liquor. The authority granted under this section does not include the authority for the town board to issue retail alcoholic beverage licenses. All provisions of Minnesota Statutes, chapter 340A, that apply to the holders of off-sale intoxicating liquor licenses, not inconsistent with this section, apply to the establishment, ownership, and operation of an exclusive liquor store under this section; provided that the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the exclusive liquor store authorized by this section as if the exclusive liquor store were a municipal liquor store.

Sec. 11. [EFFECTIVE DATE.]

Sections 6 to 8 are effective the day following final enactment. Section 10 is effective on approval by the town board of Lake township and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; authorizing the sale of confectionery containing alcohol in confectionery stores; providing for the division of liquor control to use unmarked motor vehicles for liquor investigations; providing for reasonable licensing fees; specifying conditions under which a municipality is required to hold a public hearing on the question of continued operation of a municipal liquor store; authorizing the cities of Blaine and Duluth to issue additional on-sale liquor licenses; authorizing Blue Earth county to issue an on-sale liquor license to a billiard hall; authorizing Lake township in Roseau county to establish, own, and operate an exclusive liquor store; amending Minnesota Statutes 1990, sections 16B.54, subdivision 2; 31.121; 168.012, subdivision 1; 340A.101, by adding a subdivision; and 340A.602; Minnesota Statutes 1991 Supplement, section 340A.408, subdivision 2."

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

Mrs. Adkins from the Committee on Local Government, to which was referred

H.F. No. 1957: A bill for an act relating to elected officials; restricting compensation for local elected officials; providing for terms for Cook county hospital district board members; amending Minnesota Statutes 1990, section 43A.17, by adding a subdivision; and Laws 1989, chapter 211, section 8, subdivision 3.

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

Page 2, line 17, before "*Section*" insert "*Section 1 is effective the day following final enactment and applies to all officials elected thereafter.*"

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

Mrs. Adkins from the Committee on Local Government, to which was referred

H.F. No. 1852: A bill for an act relating to Big Stone, Chippewa, and Kandiyohi counties; permitting each county to consolidate the offices of auditor and treasurer.

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

Mrs. Adkins from the Committee on Local Government, to which was referred

S.F. No. 2694: A bill for an act relating to courts; authorizing issuance of bonds to finance the construction of centrally located suburban Ramsey county court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185; proposing coding for new law in Minnesota Statutes, chapter 488A.

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

Page 2, delete section 3

Delete the title and insert:

“A bill for an act relating to courts; authorizing Ramsey county to provide for a single suburban court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185.”

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 1567 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.
1567	2354				

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

S.F. No. 2088: A bill for an act relating to corporations; making miscellaneous changes in provisions dealing with the organization and operation of nonprofit corporations; amending Minnesota Statutes 1990, sections 317A.011, subdivisions 7 and 14; 317A.111, subdivision 3; 317A.201; 317A.213; 317A.227; 317A.251, subdivision 3; 317A.255, subdivisions 1, 2, and by adding a subdivision; 317A.341, subdivision 2; 317A.431, subdivision 2; 317A.447; 317A.461; 317A.751, subdivision 3; and 317A.827, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 317A.821, subdivision 2; 317A.823; and 317A.827, subdivision 1.

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

Page 6, line 10, delete “*or officer.*”

Page 6, lines 11, 12, 13, 15, 16, and 20, delete “*or officer*”

Page 6, lines 18 and 19, delete “*, the officer,*”

Page 6, line 32, delete “*or officer’s*”

Page 6, line 36, strike “*or*” and delete “*officer*”

Page 7, line 4, delete “*or officer’s*”

Page 7, lines 9, 10, 18, 20, 21, 22, 24, and 33, delete “*or officer*”

Page 7, line 27, delete "*or*"

Page 7, line 28, delete the first "*officer*" and delete "*or officer*"

Page 9, line 22, delete "*three*" and insert "*six*"

Page 9, lines 23 and 31, delete "*with voting rights*"

Page 9, lines 24 and 25, delete "*with voting rights*"

Page 10, delete lines 1 to 22

Page 10, line 30, delete "*Copies of all documents*"

Page 10, delete lines 31 and 32

Page 10, line 33, delete everything before the first "*the*"

Page 10, line 35, delete "*the copy*" and insert "*copies of documents under this section*"

Page 11, delete line 2

Page 11, line 3, delete "*micro-images,*"

Page 11, line 12, delete "6" and insert "5"

Page 11, line 16, delete "*with voting rights*"

Renumber the subdivisions in sequence

Page 12, after line 30, insert:

"Sec. 17. Minnesota Statutes 1990, section 317A.821, subdivision 3, is amended to read:

Subd. 3. [DISSOLUTION; EXTENSION.] If a corporation fails to regain its good standing under subdivision 2 on or before December 31, ~~2000~~ 1997, the corporation is dissolved under section 317A.827. After December 31, ~~2000~~ 1997, the corporate existence of a corporation dissolved under this subdivision may be extended by filing the initial corporate registration with the secretary of state and payment of a \$1,000 fee. The extension relates back to December 31, ~~2000~~ 1997."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "317A.821, subdivision 3;"

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

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

S.F. No. 2143: A bill for an act relating to game and fish; providing for agricultural crop protection assistance; providing for issuance of deer licenses to certain owners of agricultural land in consideration for allowing access for hunting; appropriating money; amending Minnesota Statutes 1990, sections 97A.441, by adding a subdivision; and 97B.301, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Delete everything after the enacting clause and insert:

“Section 1. [97A.026] [AGRICULTURAL CROP PROTECTION ASSISTANCE.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, “agricultural crops” means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, sod farms, and apiaries.

(b) For the purposes of this section, “specialty crops” means fruit orchards, vegetables, tree farms and nurseries, sod farms, and apiaries.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall establish a statewide program to provide technical assistance to persons for the protection of agricultural crops from destruction by wild animals. As part of the program, the commissioner shall develop and identify the latest and most effective abatement techniques; acquire appropriate demonstration supplies and materials required to meet specialized needs; train property owners, field staff, public land managers, extension agents, pest control operators, and others; provide technical manuals and brochures; and provide field personnel with supplies and materials for damage abatement demonstrations and short-term assistance and for the establishment of food or lure crops where appropriate.

Subd. 3. [DETERRENT MATERIALS ASSISTANCE.] (a) A person may apply to the commissioner for deterrent materials assistance in controlling destruction of specialty crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, at no cost to the applicant, for the protection of specialty crops when the commissioner estimates that the benefit from the use of the deterrent materials is greater than twice the cost of providing the materials. Deterrent materials may include repellents or fencing materials. The landowner is responsible for implementing the deterrent system, including the placement and operation of repellents or the erection and maintenance of fences.

(b) In providing assistance to landowners under this subdivision, the commissioner shall prioritize projects based on their relative benefit-cost ratios and shall give first priority to fencing projects required by court order issued on or before May 1, 1992.

(c) If a landowner who has received assistance under this subdivision in the form of materials with a design life of more than five years sells the property within five years after installation of the materials, the landowner shall reimburse the commissioner for the value of the materials, prorated over the remainder of the five-year period.

Sec. 2. Minnesota Statutes 1990, section 97A.441, is amended by adding a subdivision to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner may issue, without a fee, a bonus license to take deer with firearms to a person who is an owner or tenant and lives on at least 40 acres of agricultural land, as defined in section 97B.001, in an area where bonus licenses are available. Landowners and tenants applying for a bonus license under this subdivision must receive preference over other applicants for bonus licenses.

(b) Persons who obtain a bonus deer license under paragraph (a) must allow public deer hunting on their land during that deer hunting season.

Sec. 3. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of natural resources to implement section 1.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective March 1, 1993."

Amend the title as follows:

Page 1, line 7, delete "sections" and insert "section" and delete "and"

Page 1, line 8, 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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2002: A bill for an act relating to public safety; providing a procedure for determining claims under the public safety officer's death benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 299A.41, subdivision 4, is amended to read:

Subd. 4. [PUBLIC SAFETY OFFICER.] "Public safety officer" includes:

(1) a peace officer defined in section 626.84, *subdivision 1, paragraph (c) or (f)*;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local

political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.

Sec. 2. [299A.47] [CLAIMS LIMITATION; DATA CLASSIFICATION.]

Subdivision 1. [FILING LIMITATIONS.] Claims for benefits from the public safety officer's death benefit account made by or on behalf of a survivor of a public safety officer must be filed within two years after the date of death of the officer.

Subd. 2. [CLAIM CLASSIFICATION.] Claims for death benefits and supporting documents and reports are investigative data and subject to the provisions of section 13.39 until the claim is paid, denied, withdrawn, or abandoned. Following the payment, denial, withdrawal, or abandonment of a claim, the claim and supporting documents and reports are private data on individuals as defined in section 13.02, subdivision 12."

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

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

S.F. No. 2221: A bill for an act relating to education; appropriating money to the state university board to assist in the cleanup of the Kummer landfill.

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

Page 1, after line 9, insert:

"Sec. 2. [NELSON HALL.]

§ is appropriated from the bond proceeds fund to the state university board for emergency construction to repair fire damage to Nelson Hall at Mankato State University. The funds may be used to pay for obligations incurred or to reimburse expenditures already made before the effective date of this section.

Sec. 3. [SALE OF BONDS.]

To provide the money appropriated in section 2 from the bond proceeds fund, the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$ in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 4. [REPLACE BEMIDJI'S ANISHINABE CENTER.]

The state university board may demolish and replace the Anishinabe Center on the Bemidji State University campus. The demolition and replacement must be carried out with Bemidji State University Foundation or other non-state money. The new center must be on state university land and must be state owned.

Sec. 5. [ADVANCE FOR BEMIDJI BOOKSTORE.]

The Bemidji State University Foundation may provide money for the design and construction of a bookstore on the Bemidji State University campus. The state board shall repay the principal and interest on the loan within five years. The interest must be at a rate not to exceed the rate the state would pay on its bonds if issued for the same purpose.

Sec. 6. [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. 7. [EFFECTIVE DATE.]

Sections 2, 3, and 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; providing assistance to the state university board related to the cleanup of the Kummer landfill and repair of fire damage at Mankato State University; permitting the state university board to demolish and replace the Anishinabe Center on the Bemidji State University campus; permitting the Bemidji State University Foundation to advance money for a new bookstore on the Bemidji State University campus; authorizing a land exchange between the city of St. Cloud and the state university board; authorizing bonds; appropriating money."

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

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

S.F. No. 1968: A bill for an act relating to education; making changes in the school consolidation law; amending Minnesota Statutes 1990, section 122.23, subdivision 16; Minnesota Statutes 1991 Supplement, section 122.23, 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 1991 Supplement, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 16b;

(2) that obligations for a capital loan or an energy loan made according

to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

(3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued;

(4) that the board of the newly created district consist of seven members; or

(5) that separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established.

A group of districts that operates a cooperative secondary facility funded under section 124.494 may also propose a temporary school board structure as specified in section 2.

If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat shall show:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(3) The boundaries of any proposed separate election districts, and

(4) Other pertinent information as determined by the county auditor.

Sec. 2. Minnesota Statutes 1990, section 124.494, is amended by adding a subdivision to read:

Subd. 7. [CONSOLIDATION.] A group of districts that operates a cooperative secondary facility that was acquired, constructed, remodeled, or improved under this section and implements consolidation proceedings according to section 122.23, may propose a temporary school board structure in the petition or resolution required under section 122.23, subdivision 2. The districts may propose the number of existing school board members of each district to become members of the school board of the consolidated district and a method to gradually reduce the membership to six or seven. The proposal shall be approved, disapproved, or modified by the state board of education. The election requirements of section 122.23, subdivision 18, do not apply to a proposal approved by the state board. Elections conducted after the effective date of the consolidation are subject to the Minnesota election law."

Delete the title and insert:

"A bill for an act relating to education; authorizing recipients of a cooperative secondary facilities grant to have a temporary school board structure after they consolidate; amending Minnesota Statutes 1990, section 124.494,

by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2.”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2626: A bill for an act relating to housing and redevelopment authorities; permitting use of general obligation bonds for housing projects; amending Minnesota Statutes 1990, section 469.034.

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

Page 2, lines 6 and 26, after “*housing*” insert “*development*”

Page 2, line 10, before “*issue*” insert “*principal amount of the*”

Page 2, line 14, delete “*120*” and insert “*15*”

Page 2, line 15, delete “*15*” and insert “*120*”

Page 2, line 17, delete “*lesser*” and insert “*greater*”

Page 2, line 18, before “*one*” insert “*one-half of*”

Page 2, line 19, after “*obligation*” insert “*which includes a tax on property*”

Page 2, line 20, delete “*\$5,000,000 for the authority*” and insert “*\$3,000,000*”

Page 2, line 24, after the period, insert “*Obligations under this subdivision are excluded from net debt limits.*”

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2617: A bill for an act relating to the world trade center; authorizing and establishing procedures for the privatization of the world trade corporation; appropriating money; amending Minnesota Statutes 1990, section 44A.031 I; proposing coding for new law in Minnesota Statutes, chapter 44A.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2422: A bill for an act relating to economic development; establishing the affirmative enterprise program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2401: A bill for an act relating to the city of Red Wing; authorizing the expenditure of certain tax increment revenue.

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

Page 1, line 7, delete "plan" and insert "plans"

Page 1, line 8, delete "plan" and insert "plans" and after "I" insert "and Development District II"

Page 1, line 12, after "I" insert "and Development District II"

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

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2059: A bill for an act relating to appropriations; appropriating money to the housing development as state match for the federal HOME program; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Delete everything after the enacting clause and insert:

"Section 1. [462A.204] [HOME MATCH ACCOUNT.]

The HOME match account is created as a separate account in the housing development fund. The agency may grant funds to participating jurisdictions to be used as state match for federal funds available under the home investment partnerships program as provided by United States Code, title 42, sections 12741 to 12756, or if no state match is required, for the purposes of the home investment partnerships program as provided by United States Code, title 42, sections 12741 to 12576. For the purpose of this section, "participating jurisdiction" is a jurisdiction that has been designated to receive HOME funds under United States Code, title 42, section 12746. The agency must allocate funds under this section based on each participating jurisdiction's share of Minnesota's allocation of federal funds under the home investment partnerships program.

Sec. 2. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 17. [HOME MATCH.] It may make grants for the purpose of section 462A.204 and pay the costs and expenses necessary and incidental to the development and operation of the grant program.

Sec. 3. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the purposes of sections 1 and 2."

Amend the title as follows:

Page 1, line 3, delete "housing development" and insert "Minnesota housing finance agency"

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1990, section 462A.21, by adding a subdivision;"

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

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

H.F. No. 1013: A bill for an act repealing certain pipeline approval authority of the commissioner of natural resources; repealing Minnesota Statutes 1990, section 117.49.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2430: A bill for an act relating to the environment; providing that the pollution control agency adopt rules with respect to competence and fees of underground tank installers; amending Minnesota Statutes 1990, section 116.491, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 115C.02, is amended by adding a subdivision to read:

Subd. 5a. [CONSULTANT.] "Consultant" means an individual, partnership, association, private corporation, or any other legal entity, that provides consulting services. Consulting services include the rendering of professional opinion, advice, or analysis regarding a release.

Sec. 2. Minnesota Statutes 1990, section 115C.02, is amended by adding a subdivision to read:

Subd. 5b. [CONTRACTOR.] "Contractor" means an individual, partnership, association, private corporation, or any other legal entity, that provides contractor services. Contractor services include activities related to the investigation of a release such as taking of soil borings and installation of monitoring wells, and activities related to corrective action such as soil excavation and installation of a soil or groundwater treatment system.

Sec. 3. Minnesota Statutes 1990, section 115C.03, is amended by adding a subdivision to read:

Subd. 10. [RETENTION OF RECORDS.] A person who applies for reimbursement under this chapter and a contractor or consultant who has billed the applicant for services that are part of the claim for reimbursement must maintain all records related to the claim for reimbursement for a minimum of five years from the date the claim for reimbursement is submitted to the board.

Sec. 4. [115C.045] [KICKBACKS.]

A consultant or contractor may not agree to pay or forgive the nonreimbursable portion of an application for reimbursement submitted under this

chapter.

Sec. 5. [115C.065] [CONSULTANT'S OR CONTRACTOR'S DUTY TO NOTIFY.]

A consultant or contractor involved in the removal of a petroleum tank shall immediately notify the agency whenever the consultant or contractor observes any petroleum tank release.

Sec. 6. Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7, is amended to read:

Subd. 7. [DUTY TO PROVIDE INFORMATION.] A person who submits an application to the board for reimbursement, or who has issued invoices or other demands for payment which are the basis of an application, shall furnish to the board copies of any financial records which the board requests and which are relevant to determining the validity of the costs listed in the application, or shall make the financial records reasonably available to the board for inspection and auditing. *The commissioner or board may obtain access to information required to be made available under this subdivision in the manner provided in section 115C.03, subdivision 7.*

Sec. 7. [115C.11] [CONSULTANTS AND CONTRACTORS; SANCTIONS.]

Subdivision 1. [REGISTRATION.] (a) All consultants and contractors must register with the board in order to participate in the petroleum tank release cleanup program.

(b) The board must maintain a list of all registered consultants and contractors.

(c) Any applicant who applies for reimbursement must use a registered consultant and contractor in order to be eligible for reimbursement.

(d) The commissioner must inform any person who notifies the agency of a release pursuant to section 115.061 that the person must use a registered consultant or contractor to qualify for reimbursement and that a list of registered consultants or contractors is available from the board.

(e) Any applicant who submits a claim based on work done by a consultant or contractor who fails to register with the board is ineligible for reimbursement of that work.

(f) Work performed by a consultant or contractor prior to being removed from the registration list may be reimbursed by the board.

Subd. 2. [DISQUALIFICATION.] *(a) The board must automatically remove a consultant or contractor from the registration list who is convicted in a criminal proceeding for submitting false or fraudulent bills that are part of a claim for reimbursement under section 115C.09, for a period of three years.*

(b) The board may, following a contested case hearing under chapter 14, impose any of the sanctions set forth in paragraph (c) based on any of the following reasons:

(1) engaging in conduct that departs from or fails to conform to the minimal standards of acceptable and prevailing engineering, hydrogeological, or other technical practices within the reasonable control of the consultant or contractor;

- (2) participating in a kickback scheme as prohibited by section 115C.045;
- (3) engaging in conduct likely to deceive or defraud, or demonstrating a willful or careless disregard for the public health or the environment;
- (4) commission of fraud, embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, receiving stolen property, making false claims, or obstruction of justice; or
- (5) revocation, suspension, restriction, limitation, or other disciplinary action against the contractor's or consultant's license or certification in another state or jurisdiction.

(c) The board may impose the following sanctions:

- (1) remove a consultant or contractor from the registration list for a period of up to three years;
- (2) publicly reprimand or censure the consultant or contractor;
- (3) place the consultant or contractor on probation for a period and upon terms and conditions the board prescribes;
- (4) require payment of all costs of proceedings resulting in an action instituted under this paragraph; or
- (5) impose a civil penalty of not more than \$10,000, the amount to be fixed so as to deprive the consultant or contractor of any economic advantage gained by reason of the consultant's or contractor's conduct or to reimburse the board for the cost of the investigation and proceeding.

(d) In deciding whether a particular sanction is appropriate, the board must consider the seriousness of the consultant's or contractor's acts or omissions and any mitigating factors.

(e) Civil penalties recovered by the state under this section must be credited to the fund.

Subd. 3. [NOTICE OF SANCTION.] The board must notify any consultant or contractor of a proposed sanction. The notice must advise the consultant or contractor of:

- (1) the fact that sanctions are being considered;
- (2) the reasons for the proposed sanction in terms sufficient to put the consultant or contractor on notice of the conduct on which the proposed sanction is based;
- (3) the reasons relied on under subdivision 2 for the proposed sanction;
- (4) the right to request a contested case hearing under chapter 14; and
- (5) the potential effect of sanctions.

Subd. 4. [EFFECTIVE DATES.] The board's order of sanction is final. The board may impose a sanction after a hearing before the board if a contested case hearing has not been requested. The sanction is effective 30 days after the board's order.

Sec. 8. Minnesota Statutes 1990, section 116.48, is amended by adding a subdivision to read:

Subd. 8. [NOTICE OF TANK INSTALLATION OR REMOVAL.] Before beginning installation or removal of an underground or aboveground tank system above 1,100 gallons in capacity, owners and operators must notify

the commissioner. Notification must be in writing or by telephone at least ten days before the tank installation or removal. Owners and operators must renotify the commissioner if the date of the tank installation or removal changes by more than 48 hours. The notification must include the following information:

- (1) the name, address, and telephone number of the site owner;*
- (2) the location of the site, if different from clause (1);*
- (3) the date of the tank installation or removal; and*
- (4) the name of the contractor or company that will install or remove the tank."*

Delete the title and insert:

"A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 115C."

And when so amended the bill do pass. Mr. Waldorf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 2432: A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; amending Minnesota Statutes 1990, sections 97C.203; 97C.211, subdivision 1; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, section 97C.209.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [17.4981] [GENERAL CONDITIONS FOR REGULATION OF AQUATIC FARMS.]

Aquatic farms are licensed to culture private aquatic life. Cultured aquatic life is not wildlife under state law. Aquatic farms are to be licensed and given classifications to prevent or minimize impacts on natural resources. Sections 1 to 14 must be implemented to:

- (1) prevent public aquatic life from entering an aquatic farm;*
- (2) prevent release of nonindigenous or exotic species into public waters without approval of the commissioner; and*
- (3) protect against release of disease pathogens to public waters.*

Private aquatic life that is legally acquired and possessed is an article of interstate commerce and may be restricted only as necessary to protect state fish and water resources.

Sec. 2. [17.4982] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 14.

Subd. 2. [APPROVED LABORATORY METHODS.] "Approved laboratory methods" means methods described in the latest edition of the "Procedures for the Detection and Identification of Certain Fish Pathogens" published by the American Fisheries Society Fish Health Section known as the "fish health blue book."

Subd. 3. [AQUARIUM FACILITIES.] "Aquarium facilities" means facilities that rear or hold private aquatic life for sale for aquarium or display purposes.

Subd. 4. [AQUATIC FARM.] "Aquatic farm" means a licensed facility used for the purpose of hatching, raising, rearing, and culturing private aquatic life in waters and preparing aquatic life for sale, including but not limited to ponds, vats, tanks, raceways, and other indoor or outdoor facilities that an aquatic farmer owns or waters where an aquatic farmer has riparian use of the waters.

Subd. 5. [AQUATIC LIFE.] "Aquatic life" has the meaning given in section 17.47, subdivision 7, and for purposes of commercial transactions, aquatic life is livestock.

Subd. 6. [CERTIFIABLE DISEASES.] "Certifiable diseases" include channel catfish virus, bacterial kidney disease, bacterial furunculosis, enteric redmouth disease, enteric septicemia of catfish, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, proliferative kidney disease, viral hemorrhagic septicemia virus, epizootic epitheliotropic virus, ceratomyxosis, and any emergency disease.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility that:

(1) disinfects its effluent to the standards in section 9 before the effluent is discharged to public waters;

(2) does not discharge to public waters or to waters of the state directly connected to public waters;

(3) raises aquatic life for food consumption only; or

(4) contains aquatic life requiring a fish health inspection prior to movement.

Subd. 9. [EMERGENCY FISH DISEASE.] "Emergency fish disease" means designated fish diseases not already present in this state that could impact populations of aquatic life if inadvertently released by infected aquatic life, including channel catfish virus, viral hemorrhagic septicemia virus, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, ceratomyxosis, proliferative kidney disease, and epizootic epitheliotropic virus disease or any other disease listed in a rule or published by the commissioner in the State Register on an emergency basis to be effective for not more than 240 days.

Subd. 10. [ENZOOTIC.] "Enzootic" means a disease that is known to occur within well-defined geographic boundaries.

Subd. 11. [FISH HEALTH BLUE BOOK.] "Fish health blue book" means

the standardized set of procedures and guidelines established and published by the American Fisheries Society Fish Health Section for the detection and isolation of fish pathogens.

Subd. 12. [FISH HEALTH INSPECTION.] "Fish health inspection" means an on-site, statistically based sampling in accordance with processes set forth in the "fish health blue book" for all lots of fish in a facility. An inspection will require a minimum of the following: viral testing of ovarian fluids at the 95 percent confidence level of detecting two percent incidence of disease (ovarian fluids must be sampled for certification of viral hemorrhagic septicemia and infectious hematopoietic necrosis). Bacterial diseases must be sampled at the 95 percent confidence level with a five percent incidence of disease. The inspection must be performed by a fish health inspector in cooperation with the producer, with subsequent examination of the collected tissues and fluids for the detection of certifiable diseases.

Subd. 13. [FISH HEALTH INSPECTOR.] "Fish health inspector" means an individual certified as a fish health inspector by the American Fisheries Society or a state, federal, or provincial resource management agency.

Subd. 14. [GAME FISH.] "Game fish" has the meaning given in section 97A.015, subdivision 25, except that green or orange spotted sunfish are not game fish for purposes of determining fish of significant public value.

Subd. 15. [INTENSIVE CULTURE.] "Intensive culture" means the rearing of fish at densities greater than can be supported in the natural environment.

Subd. 16. [LICENSED FACILITY.] "Licensed facility" means licensed aquatic farm, including all licensed waters.

Subd. 17. [LOT.] "Lot" means a group of fish of the same species and age that originated from the same discrete spawning population and that always have shared a common water supply. Various age groups of adult brood of the same species stock may comprise the same lot if they have shared the same containers for one brood cycle.

Subd. 18. [MINNOWS.] "Minnows" has the meaning given in section 97A.015, subdivision 29, except the 12-inch restriction on sucker minnows shall not apply.

Subd. 19. [PUBLIC WATERS.] "Public waters" has the meaning given in section 103G.005, subdivision 15.

Subd. 20. [QUARANTINE FACILITY.] "Quarantine facility" means a culture system that is enclosed in a building and is separated from other fish culture facilities, where fish can be isolated and maintained while preventing their introduction and pathogen introduction into the environment.

Subd. 21. [ROUGH FISH.] "Rough fish" has the meaning given in section 97A.015, subdivision 43.

Subd. 22. [STANDARD FACILITY.] "Standard facility" means a licensed facility with a continual or intermittent discharge of effluent to public waters.

Subd. 23. [WATERS OF THE STATE.] "Waters of the state" has the meaning given in section 103G.005, subdivision 17.

Sec. 3. [17.4983] [AQUATIC FARM OPERATIONS.]

Subdivision 1. [ACQUISITION AND SALE OF PRIVATE AQUATIC LIFE.] Aquatic life legally possessed may be bought, acquired, and sold by licensed facilities as provided in sections 1 to 14.

Subd. 2. [ACQUISITION FROM STATE.] (a) The commissioner may sell aquatic life to licensed facilities at fair market value. Fair market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill or summerkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make broodstock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair market value if there is a surplus from state operations.

Subd. 3. [METHODS TO HARVEST AQUATIC LIFE.] Licensed facilities may use all reasonable methods to operate and harvest aquatic life from licensed facilities, including available nets.

Subd. 4. [DISCHARGE MAY REQUIRE PERMIT.] The discharge from the aquatic farm must not be a significant contributor of pollution to public waters without required discharge permits.

Subd. 5. [OWNERSHIP OF AQUATIC LIFE.] (a) Notwithstanding other provisions of law, aquatic life lawfully acquired and possessed by a licensed facility is private aquatic life and property of the owner of the licensed facility.

(b) The state may not seize or otherwise confiscate private aquatic life without due process of law, except that private aquatic life in public waters may become property of the state if the waters are not part of a licensed facility. The commissioner shall notify the licensee that the aquatic life in a licensed facility, that is no longer licensed, then will become property of the state if the aquatic life is not removed. If the licensee does not respond in writing within 30 days after receiving the notice and make alternative arrangements, or does not remove the aquatic life by 60 ice-free days after receiving the notice, the private aquatic life becomes property of the state.

(c) Private aquatic life that is transferred to the state or released into public waters that are not part of a licensed facility is owned by the state and may be considered wildlife.

Subd. 6. [ACCESS FROM ROADS TO LICENSED FACILITIES.] A person may not access licensed aquatic farm waters from a road easement unless the access is specifically designated for public use.

Subd. 7. [CONTROL OF LICENSED WATERS.] (a) If the public cannot access waters of the state that are part of a licensed aquatic farm except

by permission of the licensee, the use of the waters by the public is subject to regulation by the licensee.

(b) Waters of the state may not be licensed for aquaculture use to more than one licensee.

Subd. 8. [ANGLING IN LICENSED WATERS.] A person may not fish by angling from waters subject to regulation by the licensee under subdivision 7 unless:

(1) the person has an invoice in possession when in possession of fish; or

(2) has permission from the licensee to take fish under an angling license and subject to the limits and conditions under the game and fish laws.

Sec. 4. [17.4984] [AQUATIC FARM LICENSE.]

Subdivision 1. [LICENSE REQUIRED.] (a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses are valid for a period of five years and are transferable upon notification to the commissioner.

(d) The commissioner shall issue an aquatic farm license upon payment of the required license fee under section 8.

Subd. 2. [LISTED WATERS.] (a) The aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and whether aeration is approved; and

(2) whether piscicide use is approved.

Additional waters may not be used until approved by the commissioner.

Waters licensed for private fish hatchery or fish farm purposes may be transferred between licensees with prior approval by the commissioner, provided requirements for species to be raised are met. Waters that are connected by a permanent watercourse to other waters will not be approved for aquatic farm use, except that connected waters which are isolated from other waters may be licensed as a single water body. Waters that may become connected with other waters may be denied; or measures, including screening, may be required to prevent fish passage. Listed waters may be changed upon approval by the area fisheries supervisor.

(b) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters.

(c) Waters found to contain game fish of significant public value may be denied unless the applicant can demonstrate exclusive riparian control.

(d) Waters containing game fish of significant public value may not be licensed unless the game fish of significant public value are sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the commissioner.

Subd. 3. [LISTED SPECIES.] (a) The license must list the species of aquatic life appropriate for the protective classification of the waters. Listed

species of aquatic life may be changed upon written request to and approval by the area fisheries supervisor. Species of aquatic life may not be cultured unless listed on the license.

(b) Species of aquatic life not found in the watershed may only be contained in licensed waters without connections to public waters which would allow their passage. After July 1, 1992, species of aquatic life not found in the watershed may not be contained in licensed waters in a 25-year floodplain unless in an enclosed building. For purposes of this subdivision, "watershed" means one of the 81 discrete units identified on the division of waters maps.

Subd. 4. [SINGLE LICENSE FOR AQUATIC FARMING OPERATION.] The commissioner shall issue a single license for aquatic farming, with the following information and endorsements:

- (1) waters covered by the license;*
- (2) classification of each of the licensed waters;*
- (3) aeration endorsement for each of the licensed waters; and*
- (4) endorsements requested by the licensee.*

Subd. 5. [STATE LIST OF WATERS.] If the state uses waters of the state for aquatic farming, the state shall acquire legal access to the waters and make documentation of the access available to the public.

Subd. 6. [INSPECTIONS.] (a) The premises, property, vehicles, and equipment where private aquatic farm operations are being conducted are subject to an annual operations inspection and other reasonable and necessary inspections at reasonable times by conservation officers. The owner, operator, or designee may be present when inspections are conducted.

Subd. 7. [NONPUBLIC RECORDS.] (a) Licensees must keep current records containing complete, up-to-date nonpublic records of the operation of the aquatic farm. The records must be kept for at least three years.

(b) The records must be in English and include the following information:

(1) for each species acquired, the number and pounds of fish or eggs acquired, names and addresses of the sources from which acquired, and the dates of receipt;

(2) for each species sold or disposed of, the number and pounds of fish sold or disposed of, the names and addresses of the purchasers or persons to whom the conveyances are made, and the dates of sale; and

(3) for fish sperm or viable eggs, the amount acquired or sold, the names and addresses of the sources from where acquired, the purchasers to whom conveyed, and the dates of purchase or sale;

(c) On or before March 1 of each year, the licensee shall submit a complete annual report on a form furnished by the commissioner, covering the quantity of all species sold in the preceding licensed year.

(d) An aquatic farmer shall maintain records for reasonable inspection by the commissioner. Information on aquatic life production, harvest, and sales is nonpublic information.

Sec. 5. [17.4985] [TRANSPORTATION OF AQUATIC LIFE.]

Subdivision 1. [REQUIREMENTS FOR IMPORTATION, TRANSPORTATION WITHIN THE STATE, OR STORAGE OF FISH.] Except as provided in subdivisions 3 and 4, a licensee may not import aquatic life into the state, transport aquatic life within the state, or stock waters of the state with aquatic life without first obtaining a transportation permit from the commissioner with disease certification, if applicable.

Subd. 2. [BILL OF LADING.] (a) A person may transport aquatic life with a completed bill of lading for:

(1) intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper protective classification for private aquatic life;

(2) stocking of waters other than public waters; and

(3) stocking of private fish hatchery or aquatic farm waters.

(b) A copy of the bill of lading must be submitted to the regional fisheries manager by 72 hours after any transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities. A copy of the bill of lading must be submitted to the regional fisheries manager 72 hours prior to any transportation for stocking of fish into waters of the state, except that a bill of lading may be issued for transportation and stocking following telephone or teletype confirmation that the waters to be stocked are not public waters. Bill of lading forms may only be issued by the department of natural resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Subd. 3. [EXEMPTIONS FOR TRANSPORTATION PERMITS AND BILLS OF LADING.] (a) A bill of lading or transportation permit is not required by an aquatic farm licensee for importation, transportation, or export for the following:

(1) minnows taken under an aquatic farm license in this state and transported intrastate;

(2) aquarium or ornamental fish including tropical, subtropical, and saltwater species that cannot survive in the waters of the state, can be imported or transported, if accompanied by shipping documents;

(3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;

(4) live fish, except salmonids and catfish, from a licensed private fish hatchery or aquatic farm may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;

(5) fish exported if the fish are accompanied by shipping documents;

(6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life; or

(7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days.

(b) Shipping documents must show place of origin, owner or consignee, destination, number, and species.

Subd. 4. [TRANSPORTATION PERMIT REQUIREMENTS.] A transportation permit may be used for multiple shipments within the 30-day term

for the permit, provided the source and the destination remains the same. Transportation permits, which include importation or stocking of public waters, may be issued through department of natural resources regional offices or the St. Paul office, and must be obtained prior to shipment.

Subd. 5. [PERMIT APPLICATION.] An application for a transportation permit must be made on forms provided by the commissioner. All information on the application form must be completed or the application will be rejected. Application for a transportation permit for salmonids, their eggs, or sperm, must be accompanied by certification that the source of the eggs or sperm is free of certifiable diseases, except that eggs with enteric redmouth or furunculosis can be imported, transported, or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease can be imported, transported, or stocked into areas where the disease has been previously introduced. A copy of the transportation permit which shows the date of certification inspection must accompany the shipment of fish while in transit and must be available for inspection by the commissioner. By 14 days after a completed application is received, the commissioner must approve or deny the importation permits as provided in this section.

Subd. 6. [VEHICLE IDENTIFICATION.] (a) Vehicles used by a licensee for transporting aquatic life must be identified with a licensee's name and town of residence, as it appears on the license, and the license number.

(b) Applications for vehicle licensing for minnow transport or export or for use as a fish vendor that are received by the commissioner are temporary licenses until approved or denied.

Sec. 6. [17.4986] [IMPORTATION OF AQUATIC LIFE.]

Subdivision 1. [IMPORTATION AND STOCKING RESTRICTIONS.] Fish may not be imported into or stocked within the state without first obtaining a transportation permit with a disease certification when required or a bill of lading from the commissioner, unless otherwise exempted.

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue transportation permits to import:

(1) any species of aquatic life to a licensed containment or quarantine facility;

(2) indigenous and naturalized species from any source to an isolation facility licensed for that species;

(3) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;

(4) trout, salmon, and catfish from any source to a containment facility if the fish are certified within the previous year to be free of certifiable diseases; and

(5) trout, salmon, and catfish from a facility with a disease-free history of three years or more located in a nonemergency disease enzootic area to a standard facility.

(b) If a source facility cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Subd. 2. [ENZOOTIC DISEASE AREA.] A facility located in an emergency disease enzootic area must have a five-year disease-free history. Hatchery inspections must occur at least once a year and fish must be tested

for all certifiable diseases. Facilities must have been inspected according to sampling and methods guidelines established in the Fish Health Blue Book. Eggs received from enzootic emergency disease areas or other areas with unknown disease histories may be imported only to an approved containment or quarantine facility. Source fish farms from emergency disease enzootic areas from which eggs are to be imported having less than a three-year disease-free history may only be imported to a containment or quarantine facility.

Sec. 7. [17.4987] [STOCKING PRIVATE AQUATIC LIFE.]

(a) A person may not release private aquatic life into public waters that are not licensed as part of an aquatic farm without first obtaining a transportation permit from the commissioner or having a completed bill of lading in possession. The commissioner may deny issuance of a permit if releasing the private aquatic life is not consistent with a management plan for the public waters. The commissioner shall make management plans available to the public.

(b) If a permit is denied, the commissioner must provide reasons for the denial in writing.

Sec. 8. [17.4989] [LICENSE AND INSPECTION FEES.]

Subdivision 1. [REQUIREMENT FOR ISSUANCE.] A permit or license must be issued by the commissioner when the requirements of law are met and the license and permit fees specified in this section are paid.

Subd. 2. [AQUATIC FARMING LICENSE.] (a) The annual fee for an aquatic farming license is \$350.

(b) The aquatic farm license shall contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement shall be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

(1) minnow dealer license;

(2) minnow retailer license for sale of minnows as bait;

(3) minnow exporting license;

(4) minnow dealer helper license;

(5) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow hauler vehicle license, a fish vendor vehicle license;

(6) sucker egg taking license; and

(7) game fish packers license.

Subd. 3. [INSPECTION FEES.] The fees for the following inspections must be paid as prescribed by the commissioner:

(1) inspection of waters to be licensed for initial inspection, \$50 per year;

(2) fish health inspection and certification, \$80 per lot; and

(3) protective classification initial inspection for standard, containment, and quarantine facility inspections, \$50.

Subd. 4. [AQUARIUM FACILITY.] (a) A person may not operate an

aquarium facility without an aquarium facility license issued by the commissioner. The fee for an aquarium facility license is \$15.

(b) Game fish sold by an aquarium facility must be accompanied by a receipt.

Sec. 9. [17.4991] [DISEASE TRANSMISSION.]

Subdivision 1. [FACILITY DESIGNATION.] (a) The licensee may apply to the commissioner for designation of all or a portion of a facility as a standard, containment, or quarantine facility on forms prescribed by the commissioner as part of the license application or separately.

(b) By 15 days after an application is submitted, the commissioner must notify the applicant if there are any deficiencies in the application. By 30 days after a complete application is submitted, the commissioner must approve or deny the designation requested. A denial must include an assessment of the actual risk to wildlife population at the particular site. A designation must be approved if the facility meets the disinfection requirements of subdivision 2.

Subd. 2. [DISINFECTION.] (a) Containment and quarantine facilities must disinfect effluent prior to discharge to public waters. The effluent required to be disinfected includes water used by a containment or quarantine facility in the production of the aquatic life of concern, waste or mortalities from the aquatic life of concern, and live forage or commercial feed discarded from the containment or quarantine facilities. Runoff from precipitation and excess water from natural springs, wells, or other sources that is not used in the production of aquatic life is not effluent to be disinfected.

(b) The disinfection must minimize the potential release of disease pathogens to wildlife susceptible to the pathogens based on a reasonable risk assessment. Disinfection treatment processes may include chlorination, heat, or other processes. If chlorine disinfection is utilized, a measurable residual level of 1.0 parts per million of active chlorine in the effluent must be maintained for one hour of retention time. The effluent must be sufficiently dechlorinated to prevent toxic adverse impacts to wildlife after discharge to public waters.

(c) A disinfection treatment process must ensure uninterrupted effluent treatment of ten or more minutes prior to release in the event of electrical power failure, a primary system failure, or other similar events that would cause treatment interruptions.

(d) The effluent disinfection process must be sited, designated, and operated in a manner that allows inspection by the commissioner at all times to determine whether adequate effluent disinfection is maintained.

(e) The commissioner may prescribe reasonable documentation of daily monitoring of treatment system performance to be included in the licensee's annual report. The records must be available for daily inspection by the commissioner during normal business hours and maintained for three years.

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have an annual fish health inspection conducted by the commissioner. The commissioner shall inspect other facilities if disease occurs. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

(d) All aquatic life in transit pursuant to this order or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book.

Subd. 4. [EMERGENCY DISEASE DETERMINATION.] If emergency diseases exist, the commissioner may order the fish in the facility to be impounded, confiscated, sold, or destroyed or the facility decontaminated. The commissioner shall make every effort to allow disposed fish to be sold for market if there is no imminent danger of a significant adverse impact on natural fish populations or human health or of escape of the pathogen to public waters.

Sec. 10. [17.4992] [GAME FISH.]

Subdivision 1. [ACQUISITION AND PURCHASE.] Game fish sperm, viable game fish eggs, or live game fish may not be taken from public waters for aquaculture purposes, but may be purchased from the state or acquired from private fish hatcheries or aquatic farms.

Subd. 2. [RESTRICTION ON THE SALE OF GAME FISH.] Species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another private hatchery or aquatic farm, except that eggs with enteric redmouth or furunculosis can be transferred or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease can be transferred or stocked to areas where the disease has been previously introduced.

Subd. 3. [ACQUISITION OF ADULT FISH FOR BROOD STOCK.] Game fish eggs, fry, and brood stock may be sold to private fish hatcheries or fish farms by the state at fair market value. As a one-time purchase for brood stock development, up to 20 pair of adults may be provided, if available, by the state through normal operations.

Subd. 4. [SALE OF EGGS BY THE STATE.] The commissioner may offer for sale as eggs or fry up to two percent of the department's annual game fish egg harvest. Additional eggs or fry may be sold if they are surplus to state program needs.

Subd. 5. [PURCHASE OF EGGS DEPENDENT UPON FACILITY.] Licensees may purchase game fish eggs or fry from the state at a rate based on the capacity of their facility to hatch and rear fish. Licensees may purchase walleye at a rate of no more than one-half quart of eggs or 5,000 fry for each acre or fraction of licensed surface water. This limitation may be waived if an aquatic farm is an intensive culture facility. The allowable purchase of trout or salmon eggs will be based on capacity of rearing tanks and flow of water through the private fish hatchery or fish farm facility.

Subd. 6. [STOCKING WALLEYES NORTH OF MINNESOTA HIGHWAY NO. 210.] Walleyes from outside of the area of the state north of Minnesota highway No. 210 may not be stocked in waters of the state north of Minnesota highway No. 210 without approval by the commissioner.

Sec. 11. [17.4993] [MINNOWS.]

Subdivision 1. [TAKING FROM PUBLIC WATERS.] A licensee may take minnow sperm, minnow eggs, and live minnows from public waters for aquatic farm purposes under an aquatic farm license.

Subd. 2. [IMPORTATION OF LIVE MINNOWS.] Minnows from outside the state may not be imported live by a licensee for purposes other than processing or feeding aquatic farm fish.

Sec. 12. [17.4994] [SUCKER EGGS.]

Sucker eggs may be taken from public waters with a sucker egg license endorsement. The license authorizes sucker eggs to be taken at a rate of one quart of eggs for each 1-1/2 acres of licensed surface waters, except that for intensive culture systems, sucker eggs may be taken at a rate of two quarts per 1,000 muskellunge fry being reared. The taking of sucker eggs from public waters is subject to chapter 97C and may be supervised by the commissioner.

Sec. 13. [17.4995] [RECEIPTS TO THE GAME AND FISH FUND.]

All money received by the state under sections 1 to 15 shall be deposited in the state treasury and credited to the game and fish fund.

Sec. 14. [17.4996] [WHITE EARTH INDIAN RESERVATION.]

Until the commissioner reaches an agreement with the White Earth Indian reservation regarding the acquisition and sale of aquatic life from public waters, an aquatic farm licensee may acquire and transport rough fish as defined under Minnesota Statutes, section 97A.015, subdivision 43, and yellow perch lawfully acquired and possessed by a tribal member for sale under tribal laws and regulations on the White Earth reservation. Transportation of yellow perch off the reservation must be accompanied by documentation showing the source, number, and species of the yellow perch or rough fish.

Sec. 15. [17.4997] [RULES.]

The commissioner may adopt rules that are not inconsistent with sections 1 to 14. The commissioner must notify the Minnesota aquaculture commission prior to publication of the proposed rule.

Sec. 16. Minnesota Statutes 1990, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

(a) The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;

(2) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing at a price not less than the fair market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; and

(3) sale at a price not less than the fair market value, established as the average price charged at the state's private hatcheries sources and contiguous states per volume rates of fish eggs and fry to private fish hatcheries and fish aquatic farms to hatch fry or raise fingerlings for sale.

~~(b) Until July 1, 1990, The commissioner must make at least two percent of the game fish eggs collected available to private hatcheries.~~

Sec. 17. Minnesota Statutes 1990, section 97C.301, is amended by adding a subdivision to read:

Subd. 5. [AQUATIC FARMS.] An aquatic farm licensee may take fish authorized under the aquatic farm license and its endorsements without other licenses under the game and fish laws.

Sec. 18. Minnesota Statutes 1990, section 97C.345, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] This section does not apply to:

- (1) nets used to take rainbow smelt during the open season;
- (2) nets used to land game fish taken by angling;
- (3) seines or traps used for the taking of minnows for bait; ~~and~~
- (4) nets, seines, or traps possessed and used under an aquatic farm license; and*
- ~~(4) (5) angling equipment.~~

Sec. 19. Minnesota Statutes 1990, section 97C.391, is amended to read:
97C.391 [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

- (1) minnows;
- (2) rough fish excluding ciscoes;
- (3) fish taken under licensed commercial fishing operations;
- ~~(4) fish raised in a fish farm that are identified as prescribed by the commissioner that are private aquatic life; and~~
- ~~(5) fish raised in a private hatchery that are tagged or labeled or otherwise identified as prescribed by the commissioner; and~~
- ~~(6) fish lawfully taken and subject to sale from other states and countries.~~

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] Largemouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may not be bought or sold, unless bought or sold by a private hatchery or fish aquatic farm to stock waters for recreational fishing, or as prescribed by the commissioner.

Sec. 20. Minnesota Statutes 1990, section 97C.505, subdivision 6, is amended to read:

Subd. 6. [APPROVED EQUIPMENT REQUIRED.] A person must use equipment approved by the commissioner to possess or transport minnows for sale. *This subdivision does not apply to licensed aquatic farms.*

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; amending Minnesota Statutes 1990, sections 97C.203; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; and 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209."

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. 2602: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 53, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. [NAME.] Effective July 1, 1993, the name of the public employees insurance plan shall be the pooled employers insurance program. The pooled employers insurance program, as described in section 43A.317, is a continuation and expansion of the public employees insurance plan.

Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. [ELIGIBILITY AND COVERAGE.] Notwithstanding any contrary provision of section 43A.317, any group enrolled in the public employees insurance plan for a term extending beyond June 30, 1993, will become covered by the pooled employers insurance program pursuant to the terms of their participation agreement with the public employees insurance plan. The commissioner of employee relations may provide such a group the option to convert to alternative coverage if available through the pooled employers insurance program. Upon the expiration of their participating agreement

with the public employees insurance plan, the group may enroll in the pooled employers insurance program under section 43A.317, provided the group continues to meet the eligibility criteria that existed on June 30, 1993.

Sec. 3. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 13. [TRUST FUND.] Effective July 1, 1993, all assets and obligations of the public employees insurance trust fund are transferred to the pooled employers insurance trust fund, as described in section 43A.317, subdivision 9.

Sec. 4. [43A.317] [POOLED EMPLOYERS INSURANCE PROGRAM.]

Subdivision 1. [INTENT.] The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(c) [ELIGIBLE EMPLOYEE.] "Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.

(d) [ELIGIBLE EMPLOYER.] "Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) [ELIGIBLE INDIVIDUAL.] "Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.

(f) [EMPLOYEE.] "Employee" means a common law employee of an eligible employer.

(g) [EMPLOYER.] "Employer" means a public or private person, firm, corporation, partnership, association, unit of local government, or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.

(h) [PROGRAM.] "Program" means the pooled employers insurance program created by this section.

Subd. 3. [ADMINISTRATION.] The commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner's contracting authority for the program shall be governed by section 43A.23. The commissioner is not subject to the rulemaking requirements of chapter 14 in administering this program.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee shall be governed by sections 15.014 and 15.059, and shall continue to exist while the program remains in operation.

Subd. 5. [EMPLOYER ELIGIBILITY.] (a) [PROCEDURES.] All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) [TERM.] The initial term of an employer's coverage will be two years from the effective date of the employer's application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.

(c) [MINNESOTA WORK FORCE.] An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) [PRIVATE EMPLOYER.] A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.

(f) [MINIMUM PARTICIPATION.] The commissioner may require as a condition of employer eligibility that: (1) a minimum percentage of eligible employees are covered through the program; and (2) the employer makes a minimum level of contribution toward the cost of coverage.

(g) [EMPLOYER CONTRIBUTION.] The commissioner may require as a condition of employer eligibility that the employer contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) [ENROLLMENT CAP.] The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. [INDIVIDUAL ELIGIBILITY.] (a) [PROCEDURES.] The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) [EMPLOYEES.] An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may change the criteria annually thereafter, or at other times with approval of the commissioner. The criteria must provide

that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) [OTHER INDIVIDUALS.] An employer may elect to cover under its plan:

(1) the spouse, dependent children, and dependent grandchildren of a covered employee;

(2) a retiree who is eligible to receive a pension or annuity from the employer, and a covered retiree's spouse, dependent children, and dependent grandchildren;

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may change the criteria annually thereafter, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria in section 43A.18, subdivision 2.

(d) [WAIVER AND LATE ENTRANCE.] An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 20.

(e) [CONTINUATION COVERAGE.] Continuation coverage will be available through the program for all qualified beneficiaries as may be required by state and federal law.

Subd. 7. [COVERAGE.] To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Coverage shall be available through the program beginning on July 1, 1993.

(a) [HEALTH COVERAGE.] Health coverage shall be available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program shall be administered as though the retiree is enrolled in Medicare parts A and B.

(b) [OPTIONAL COVERAGES.] In addition to offering health coverage, the commissioner may arrange to offer life, dental, and disability coverage through the program. Employers with health coverage may choose to offer one or more of these optional coverages according to the terms established by the commissioner.

(c) [OPEN ENROLLMENT.] *The program shall provide periodic open enrollments for eligible individuals for those coverages where a choice exists.*

(d) [TECHNICAL ASSISTANCE.] *The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.33.*

Subd. 8. [PREMIUMS.] (a) [PAYMENTS.] *Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.*

(b) [RATING METHOD.] *The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers shall meet or exceed the requirements of chapter 62L. The rating methods may exclude from premiums all or part of the costs for state administration and for maintenance of a premium stability and claim fluctuation reserve, provided that the commissioner shall incorporate these costs into premium as permitted by the size and stability of the program.*

(c) [TAX STATUS.] *Premiums paid to or by the program are exempt from the tax imposed by sections 60A.15 and 60A.198.*

Subd. 9. [POOLED EMPLOYERS INSURANCE TRUST FUND.] (a) [CREATION.] *The pooled employer insurance trust fund is created in the state treasury and consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.*

(b) [APPROPRIATION.] *All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.*

(c) [RESERVES.] *For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves: (1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and (2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations shall be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997.*

(d) [INVESTMENTS.] *The state board of investment shall invest money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.*

Subd. 10. [PROGRAM STATUS.] *The pooled employers insurance program is a state program to provide the advantages of a large pool for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program and, where applicable, the employers enrolled in it shall not constitute insurance within the meaning of state law and are not subject to chapters 60A, 62A, 62C, 62D, 62E, 62H, and 62L, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.*

Subd. 11. [EVALUATION.] *The commissioner shall report to the legislature on December 15, 1995, concerning the success of the program in*

fulfilling the intent of the legislature."

Page 59, after line 11, insert:

"Sec. 12. [62A.022] [UNIFORM CLAIMS FORMS AND BILLING PRACTICES.]

By January 1, 1993, the commissioner of commerce, in consultation with the commissioners of health and human services, shall establish and require uniform claims forms and uniform billing and record keeping practices applicable to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, if issued or renewed to provide coverage to Minnesota residents."

Page 67, line 3, before "*Minnesota*" insert "(a)"

Page 67, after line 4, insert:

"(b) Minnesota Statutes 1990, section 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9, are repealed effective July 1, 1993."

Page 67, line 6, delete "9" and insert "13" and delete "2 to 8, 10" and insert "5 to 11, 14"

Page 67, line 7, delete "13, and 18" and insert "17, and 22" and delete "11, 15, 16" and insert "15, 19, 20"

Page 67, line 8, delete "17" and insert "21"

Renumber the sections of article 3 in sequence

Amend the title as follows:

Page 1, lines 10 and 11, delete "a subdivision" and insert "subdivisions"

Page 1, line 20, after the first semicolon, insert "43A;"

Page 1, line 23, after "sections" insert "43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10;"

Page 1, line 24, before the period, insert "; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2523: A bill for an act relating to human services; providing for HIV minimum standards; providing for HIV training in chemical dependency treatment programs; expanding exclusion from licensure; providing for integration of residential programs; delegating authority to enforce uniform fire code; setting adult foster care license capacity; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.07, subdivisions 2 and 3; 245A.11; and 299F.011, subdivision 4a; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivision 3; and 245A.16, subdivision 1; proposing coding for new law in

Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 245A.02, is amended by adding a subdivision to read:

Subd. 7a. [HIV MINIMUM STANDARDS.] “HIV minimum standards” means those items approved by the department and contained in the HIV-1 Guidelines for chemical dependency treatment and care programs in Minnesota including HIV education to clients, completion of HIV training by all new and existing staff, provision for referral to individual HIV counseling and services for all clients, and the implementation of written policies and procedures for working with HIV-infected clients.

Sec. 2. Minnesota Statutes 1991 Supplement, 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 *prekindergarten learning readiness*, kindergarten to the 12th grade ~~and~~, *prekindergarten regular and special education, and programs serving children in combined special education and regular prekindergarten* programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;
- (6) nonresidential programs for children that provide care or supervision for periods of less than three hours a day while the child’s parent or legal guardian is in the same building or present on property that is contiguous with the physical facility where the nonresidential program is provided;
- (7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;
- (8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 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, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, 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; *or*

(21) *community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17.*

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to preschool programs ~~administered by public schools~~ that are similar to Minnesota Rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 3. Minnesota Statutes 1991 Supplement, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in clauses (1) to (4) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, and county agencies, after written notice to the individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about abuse or neglect of adults in licensed programs substantiated under section 626.557 and the maltreatment of minors in licensed programs substantiated under section 626.556. The individuals to be studied shall include:

- (1) the applicant;
- (2) persons over the age of 13 living in the household where the licensed program will be provided;
- (3) current employees or contractors of the applicant who will have direct contact with persons served by the program; and
- (4) volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1) or (3) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) or (3) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (4) shall be conducted on at least an annual basis. No applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(b) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (a), clauses (1) to (4), on forms prescribed by the commissioner. The commissioner may request additional information of the individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(c) Except for child foster care, adult foster care, and family day care homes, a study must include information from the county agency's record of substantiated abuse or neglect of adults in licensed programs, and the maltreatment of minors in licensed programs, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. For child foster care, adult foster care, and family day care homes, the study must include information from the county agency's record of substantiated abuse or neglect of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or a national criminal record repository if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual

listed in paragraph (a), clauses (1) to (4).

(d) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or immediately suspend, suspend, or revoke a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(e) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

(f) No person in paragraph (a), clause (1), (2), (3), or (4) who is disqualified as a result of this section may be retained by the agency in a position involving direct contact with persons served by the program.

~~(g) The commissioner shall not implement the procedures contained in this subdivision until appropriate rules have been adopted, except for the applicants and license holders for child foster care, adult foster care, and family day care homes.~~

~~(h) Termination of persons in paragraph (a), clause (1), (2), (3), or (4) made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.~~

~~(i) (h) The commissioner may establish records to fulfill the requirements of this section. The information contained in the records is only available to the commissioner for the purpose authorized in this section.~~

~~(j) (i) The commissioner may not disqualify an individual subject to a study under this section because that person has, or has had, a mental illness as defined in section 245.462, subdivision 20.~~

Sec. 4. Minnesota Statutes 1990, section 245A.07, subdivision 2, is amended to read:

Subd. 2. [IMMEDIATE SUSPENSION IN CASES OF IMMINENT DANGER TO HEALTH, SAFETY, OR RIGHTS.] If the license holder's failure to comply with applicable law or rule has placed the health, safety, or rights of persons served by the program in imminent danger, the commissioner shall act immediately to suspend the license. No state funds shall be made available or be expended by any agency or department of state, county, or municipal government for use by a license holder regulated under sections 245A.01 to 245A.16 while a license is under immediate suspension. A notice stating the reasons for the immediate suspension and informing the license holder of the right to a contested case hearing under chapter 14 must be delivered by personal service to the address shown on the application or the last known address of the license holder. The license holder may appeal an order immediately suspending a license by notifying the commissioner. *The appeal of an order immediately suspending a license must be made in writing by certified mail and must be received by the commissioner within five calendar days after receiving the license holder receives notice that the license has been immediately suspended.* A license holder and any controlling individual shall discontinue operation of the program upon receipt of the commissioner's order to immediately suspend the license.

Sec. 5. Minnesota Statutes 1990, section 245A.07, subdivision 3, is

amended to read:

Subd. 3. [SUSPENSION, REVOCATION, PROBATION.] The commissioner may suspend, revoke, or make probationary a license if a license holder fails to comply fully with applicable laws or rules. A license holder who has had a license suspended, revoked, or made probationary must be given notice of the action by certified mail. The notice must be mailed to the address shown on the application or the last known address of the license holder. The notice must state the reasons the license was suspended, revoked, or made probationary.

(a) If the license was suspended or revoked, the notice must inform the license holder of the right to a contested case hearing under chapter 14. The license holder may appeal an order suspending or revoking a license ~~by notifying the commissioner.~~ *The appeal of an order suspending or revoking a license must be made in writing by certified mail and must be received by the commissioner within ten calendar days after receiving the license holder receives notice that the license has been suspended or revoked.*

(b) If the license was made probationary, the notice must inform the license holder of the right to request a reconsideration by the commissioner. The request for reconsideration must be made in writing by certified mail *and must be received by the commissioner within ten calendar days after receiving the license holder receives notice that the license has been made probationary.* The license holder may submit with the request for reconsideration written argument or evidence in support of the request for reconsideration. The commissioner's disposition of a request for reconsideration is final and is not subject to appeal under chapter 14.

Sec. 6. Minnesota Statutes 1990, section 245A.11, subdivision 2, is amended to read:

Subd. 2. [PERMITTED SINGLE-FAMILY RESIDENTIAL USE.] Residential programs with a licensed capacity of six or fewer persons shall be considered a permitted single-family residential use of property for the purposes of zoning and other land use regulations. *Programs otherwise allowed under this subdivision shall not be prohibited by operation of restrictive covenants or similar restrictions, regardless of when entered into, which cannot be met because of the nature of the licensed program, including provisions which require the home's occupants be related, and that the home must be occupied by the owner, or similar provisions.*

Sec. 7. Minnesota Statutes 1990, section 245A.11, is amended by adding a subdivision to read:

Subd. 2a. [ADULT FOSTER CARE LICENSE CAPACITY.] *An adult foster care license holder may have a maximum license capacity of five if all persons in care are age 60 or over and do not have a serious and persistent mental illness or a developmental disability. A license holder who is incorporated as a business may operate a maximum of two programs with a licensed capacity of five in each program.*

Sec. 8. Minnesota Statutes 1990, section 245A.11, is amended by adding a subdivision to read:

Subd. 2b. [ADULT FOSTER CARE; FAMILY ADULT DAY CARE.] *An adult foster care license holder licensed under the conditions in subdivision 2a may also provide family adult day care for adults age 60 or over if no persons in the adult foster or adult family day care program have a serious*

and persistent mental illness or a developmental disability. The maximum combined 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. Adult foster care homes providing services to five adults under this section 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.

Sec. 9. Minnesota Statutes 1990, section 245A.11, subdivision 3, is amended to read:

Subd. 3. [PERMITTED MULTIFAMILY RESIDENTIAL USE.] Unless otherwise provided in any town, municipal, or county zoning regulation, a licensed residential program with a licensed capacity of seven to 16 ~~adults or children~~ persons shall be considered a permitted multifamily residential use of property for the purposes of zoning and other land use regulations. A town, municipal, or county zoning authority may require a conditional use or special use permit to assure proper maintenance and operation of a residential program. Conditions imposed on the residential program must not be more restrictive than those imposed on other conditional uses or special uses of residential property in the same zones, unless the additional conditions are necessary to protect the health and safety of the ~~adults or children~~ persons being served by the program. Nothing in sections 245A.01 to 245A.16 shall be construed to exclude or prohibit residential programs from single-family zones if otherwise permitted by local zoning regulations.

Sec. 10. Minnesota Statutes 1990, section 245A.11, subdivision 4, is amended to read:

Subd. 4. [LOCATION OF RESIDENTIAL PROGRAMS.] In determining whether to grant a license, the commissioner shall specifically consider the population, size, land use plan, availability of community services, and the number and size of existing licensed residential programs in the town, municipality, or county in which the applicant seeks to operate a residential program. The commissioner shall not grant an initial license to any residential program if the residential program will be within 1,320 feet of an existing residential program unless one of the following conditions apply: (1) the existing residential program is located in a hospital licensed by the commissioner of health; ~~or~~ (2) the town, municipality, or county zoning authority grants the residential program a conditional use or special use permit. ~~In cities of the first class, this subdivision applies even if a residential program is considered a permitted single-family residential use of property under subdivision 2. Foster care homes are exempt from this subdivision;~~ (3) the program serves six or fewer persons and is not located in a city of the first class; or (4) the program is foster care.

Sec. 11. Minnesota Statutes 1990, section 245A.11, is amended by adding a subdivision to read:

Subd. 5a. [INTEGRATION OF RESIDENTIAL PROGRAMS.] *The commissioner of human services shall seek input from counties and municipalities on methods for integrating all residential programs into the community.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. [DELEGATION OF AUTHORITY TO AGENCIES.] (a) County agencies and private agencies that have been designated or licensed

by the commissioner to perform licensing functions and activities under section 245A.04, to recommend denial of applicants under section 245A.05, to issue correction orders, *to issue variances*, and recommend fines under section 245A.06, or to recommend suspending, revoking, and making licenses probationary under section 245A.07, shall comply with rules and directives of the commissioner governing those functions and with this section.

~~(b) By January 1, 1991, the commissioner shall study and make recommendations to the legislature regarding the licensing and provision of support services to child foster homes. In developing the recommendations, the commissioner shall consult licensed private agencies, county agencies, and licensed foster home providers.~~

~~(e) For family day care programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.~~

Sec. 13. [245A.19] [HIV TRAINING IN CHEMICAL DEPENDENCY TREATMENT PROGRAM.]

(a) Applicants and license holders for chemical dependency residential and nonresidential programs must demonstrate compliance with HIV minimum standards prior to their application being complete. The HIV minimum standards contained in the HIV-1 Guidelines for chemical dependency treatment and care programs in Minnesota are not subject to rulemaking.

(b) Ninety days after enactment of this section, the applicant or license holder shall orient all chemical dependency treatment staff and clients to the HIV minimum standards. Thereafter, orientation shall be provided to all staff and clients, within 72 hours of employment or admission to the program. In-service training shall be provided to all staff on at least an annual basis and the license holder shall maintain records of training and attendance.

(c) The license holder shall maintain a list of referral sources for the purpose of making necessary referrals of clients to HIV-related services. The list of referral services shall be updated at least annually.

(d) Written policies and procedures, consistent with HIV minimum standards, shall be developed and followed by the license holder. All policies and procedures concerning HIV minimum standards shall be approved by the commissioner. The commissioner shall provide training on HIV minimum standards to applicants.

(e) The commissioner may permit variances from the requirements in this section. License holders seeking variances must follow the procedures in section 245A.04, subdivision 9.

(f) The HIV-1 Guidelines for chemical dependency treatment and care programs in Minnesota are not subject to rulemaking.

Sec. 14. Minnesota Statutes 1990, section 299F.011, subdivision 4a, is amended to read:

Subd. 4a. [FAMILY OR GROUP FAMILY DAY CARE HOME REGULATION.] *(a) Notwithstanding any contrary provision of this section, the fire marshal shall not adopt or enforce a rule:*

(1) establishing staff ratios, age distribution requirements, and limitations on the number of children in care;

(2) regulating the means of egress from family or group family day care homes in addition to the egress rules that apply to the home as a single family dwelling; or

(3) confining family or group family day care home activities to the floor of exit discharge.

(b) For purposes of this subdivision, "family or group family day care home" means a dwelling unit in which the day care provider provides the services referred to in section 245A.02, subdivision 10, to one or more persons.

(c) Nothing in this subdivision prohibits the department of human services from adopting or enforcing rules regulating day care, including the subjects in subdivision 4a, clauses (1) and (3). The department may not, however, adopt or enforce a rule stricter than subdivision 4a, clause (2).

(d) The department of human services may by rule adopt procedures for requesting the state fire marshal or a local fire marshal to conduct an inspection of day care homes to ensure compliance with state or local fire codes.

(e) *The commissioners of public safety and human services may enter into an agreement for the commissioner of human services to perform follow-up inspections of programs subject to licensure under section 245A, to determine whether certain violations cited by the state fire marshal have been corrected. The agreement shall identify specific items the commissioner of human services is permitted to inspect. The list of items is not subject to rulemaking and may be changed by mutual agreement between the state fire marshal and the commissioner. The agreement shall provide for training of individuals who will conduct follow-up inspections. The agreement shall contain procedures for the commissioner of human services to follow when the commissioner requires assistance from the state fire marshal to carry out the duties of the agreement.*

(f) *No tort liability is transferred to the commissioner of human services as a result of the commissioner of human services performing activities within the limits of the agreement.*

Sec. 15. [REPEALER.]

Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.17, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; providing for HIV minimum standards; providing for HIV training in chemical dependency treatment programs; expanding exclusion from licensure; providing for integration of residential programs; delegating authority to enforce uniform fire code; setting adult foster care license capacity; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.07, subdivisions 2 and 3; 245A.11, subdivisions 2, 3, 4, and by adding subdivisions; 299F.011, subdivision 4a; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivision 3; 245A.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.17."

And when so amended the bill do pass and be re-referred to the Committee

on Governmental Operations. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

S.F. No. 2668: A resolution memorializing the President and Congress to recognize Labor Day 1992 as "Help Yourself, Buy American Day."

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1876: A bill for an act relating to occupations and professions; board of medical practice; clarifying requirements for granting medical licenses and for investigating physicians; amending Minnesota Statutes 1990, sections 147.131; and 147.161, subdivision 3; Minnesota Statutes 1991 Supplement, section 147.03.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 16, 1992, be adopted; that committee recommendation being:

"the bill do pass". Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2314: A bill for an act relating to cities; requiring an equitable distribution of state and local funds in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.203, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Economic Development and Housing, shown in the Journal for March 10, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1914: A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for March 10, 1992, be adopted; that committee recommendation being:

"the bill do pass". Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1725: A bill for an act relating to public investments; providing that certain debt is not approved for investment; amending Minnesota Statutes 1990, section 473.666.

Reports the same back with the recommendation that the report from the Committee on Metropolitan Affairs, shown in the Journal for March 16, 1992, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2323: A bill for an act relating to cultural resources; reorganizing the nature of a Saint Paul tourism and cultural district; appropriating money.

Reports the same back with the recommendation that the report from the Committee on Economic Development and Housing, shown in the Journal for March 10, 1992, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Governmental Operations”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1986: A bill for an act relating to disabled persons; reducing fee for Minnesota identification card for physically disabled person; amending Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3.

Reports the same back with the recommendation that the report from the Committee on Transportation, shown in the Journal for March 16, 1992, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2497: A bill for an act relating to commerce; defining the responsibilities of ski area operators and skiers; defining the rights and liabilities between skiers and between a skier and a ski area operator; proposing coding for new law as Minnesota Statutes, chapter 86C.

Reports the same back with the recommendation that the report from the Committee on Commerce, shown in the Journal for March 16, 1992, be amended to read:

“the bill be amended and when so amended the bill do pass and be referred to the Committee on Judiciary”. Amendments adopted. Report

adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1165: A bill for an act relating to animals; changing disposition of certain seized animals; amending Minnesota Statutes 1990, section 35.71, subdivision 3.

Reports the same back with the recommendation that the report from the Committee on Veterans and General Legislation, shown in the Journal for March 16, 1992, be amended to read:

“the bill do pass and be re-referred to the Committee on Health and Human Services”. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2511, 2001, 2499, 304, 2271, 1877, 2382, 2236, 2182, 2115, 2023, 1819, 2389, 2662, 2233, 1900, 1319, 2637, 1997, 2428, 2383, 2229, 2399, 2337, 2531, 2547, 1970, 2412, 2483, 2088, 2002, 1968, 2668, 1876, 2314, 1914 and 1725 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1957, 1852, 1567 and 1013 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Cohen moved that the name of Ms. Traub be added as a co-author to S.F. No. 2000. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Mondale be added as a co-author to S.F. No. 2001. The motion prevailed.

Mr. Morse moved that the name of Mr. Laidig be added as a co-author to S.F. No. 2299. The motion prevailed.

Mr. Pogemiller moved that the name of Ms. Ranum be added as a co-author to S.F. No. 2382. The motion prevailed.

Mr. Sams moved that the name of Mr. Mondale be added as a co-author to S.F. No. 2430. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Frank be added as a co-author to S.F. No. 2529. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Metzen be added as a co-author to S.F. No. 2605. The motion prevailed.

Mr. DeCramer moved that the names of Messrs. Beckman and Larson be added as co-authors to S.F. No. 2687. The motion prevailed.

Mr. Spear moved that S.F. No. 651 be withdrawn from the Committee on Finance and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Morse moved that S.F. No. 2095 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Governmental Operations. The motion prevailed.

Ms. Johnson, J.B. moved that S.F. No. 2688 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Energy and Public Utilities. The motion prevailed.

Mr. Bernhagen introduced—

Senate Resolution No. 128: A Senate resolution congratulating the Hutchinson High School Bicentennial Team for their efforts and achievements in the National Bicentennial Competition on the Constitution and Bill of Rights.

Referred to the Committee on Rules and Administration.

Mr. Hughes introduced—

Senate Resolution No. 129: A Senate resolution commemorating the tenth anniversary of the dedication of the Vietnam Veterans Memorial.

Referred to the Committee on Rules and Administration.

Mr. Laidig introduced—

Senate Resolution No. 130: A Senate resolution congratulating Mindy Myhre of Mahtomedi High School on winning the Class A all-around gymnastics individual championship.

Referred to the Committee on Rules and Administration.

Mr. Berg moved that the names of Messrs. McGowan and Johnson, D.E. be added as co-authors to S.F. No. 1605. The motion prevailed.

Mr. DeCramer moved that S.F. No. 2474 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Finance. The motion prevailed.

Mr. Neville moved that S.F. No. 2380 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Economic Development and Housing. The motion prevailed.

Mr. Renneke moved that S.F. No. 1563 be withdrawn from the Committee on Veterans and General Legislation and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Metzen moved that S.F. No. 2451 be withdrawn from the Committee on Transportation and re-referred to the Committee on Metropolitan Affairs. The motion prevailed.

Ms. Johnson, J.B. moved that S.F. No. 2428 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Flynn moved that S.F. No. 2337 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Ms. Pappas moved that S.F. No. 2662 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mrs. Pariseau, Messrs. Belanger, Neuville and Ms. Ranum introduced—

S.F. No. 2737: A bill for an act relating to state government; imposing certain requirements on state contracts for advertising, public relations, and marketing services; imposing requirements on certain recipients of state grants, aids, and appropriations; requiring a study; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations.

Mr. Frederickson, D.J. introduced—

S.F. No. 2738: A bill for an act relating to education; appropriating money for, and authorizing levies by, the Lac Qui Parle valley joint school district.

Referred to the Committee on Education.

Mr. Mehrkens introduced—

S.F. No. 2739: A bill for an act relating to capital improvements; changing recipient and use of previous appropriation; amending Laws 1988, chapter 703, article 2, section 2, subdivision 2.

Referred to the Committee on Finance.

Mr. Merriam introduced—

S.F. No. 2740: A bill for an act relating to state lands; exempting certain lakeshore lots from sale requirements; amending Minnesota Statutes 1990, section 92.67, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mmes. Benson, J.E.; Pariseau; Messrs. Renneke and Larson introduced—

S.F. No. 2741: A resolution memorializing the television networks to actively reduce the amount of violence-laden, sexually explicit material on television programs and to produce television material that promotes wholesome family values and helps to strengthen the family.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 2742: A bill for an act relating to education; appropriating money to match a grant from the National Science Foundation for a systemic initiative in science and math education.

Referred to the Committee on Education.

Messrs. Hottinger, Luther and Solon introduced—

S.F. No. 2743: A bill for an act relating to insurance; Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1991 Supplement, sections 62E.10, subdivision 9; and 62E.12.

Referred to the Committee on Commerce.

Ms. Reichgott, Messrs. Riveness, Mondale, Pogemiller and Ms. Olson introduced—

S.F. No. 2744: A bill for an act relating to education; converting the tax capacity rate on existing referendums; amending Minnesota Statutes 1991 Supplement, section 124A.03, by adding a subdivision.

Referred to the Committee on Education.

Messrs. Stumpf; Morse; Merriam; Benson, D.D. and Moe, R.D. introduced—

S.F. No. 2745: A bill for an act relating to administrative procedures; providing for legislative oversight of rules; eliminating general grants of rulemaking authority; providing an efficient method to amend or repeal certain rules; amending Minnesota Statutes 1990, section 14.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; and 14.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S.F. No. 2746: A bill for an act relating to occupations and professions; board of accountancy; establishing procedures for the board to carry out disciplinary proceedings; providing penalties; amending Minnesota Statutes 1990, section 326.211, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1990, sections 326.23; and 326.231.

Referred to the Committee on Commerce.

Mr. Marty introduced—

S.F. No. 2747: A bill for an act relating to crimes; lowering maximum allowable alcohol concentration to 0.08 for crimes involving driving motor vehicles while intoxicated and operating snowmobiles, all-terrain vehicles, or boats while intoxicated; amending Minnesota Statutes 1990, sections 84.911, subdivision 1; 86B.335, subdivision 1; 169.121, subdivisions 1 and 2; 169.123, subdivisions 4, 5a, and 6; 192A.555; and 609.21, subdivisions 1, 2, 2a, 3, and 4; Minnesota Statutes 1991 Supplement, section 169.123, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Beckman introduced—

S.F. No. 2748: A bill for an act relating to education; transferring responsibility for disbursement of federal vocational funds from the state board of technical colleges to the state board of education; proposing coding for new law in Minnesota Statutes, chapter 121; repealing Minnesota Statutes 1990, section 136C.06.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 2749: A bill for an act relating to the city of Columbia Heights; exclusions from salary in computing police relief association retirement benefits; amending Laws 1977, chapter 374, section 8, subdivision 1.

Referred to the Committee on Governmental Operations.

Messrs. Kelly and Cohen introduced—

S.F. No. 2750: A bill for an act relating to retirement; St. Paul fire department relief association; increasing service pension amounts; substituting a revised longevity benefit; limiting future benefit reductions; amending Laws 1955, chapter 375, sections 21 and 22, as amended.

Referred to the Committee on Governmental Operations.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Sams moved that S.F. No. 2079 be withdrawn from the Committee on Agriculture and Rural Development and re-referred to the Committee on Finance. 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. 720: Messrs. Metzen, Kelly and Bernhagen.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 19, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTIETH DAY

St. Paul, Minnesota, Thursday, March 19, 1992

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Alfred Babington-Johnson.

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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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.

March 17, 1992

The Honorable Dee Long
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 1992 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 1992	Date Filed 1992
	1652	Res. No. 9	2:45 p.m. March 16	March 16

Sincerely,
Joan Anderson Growe
Secretary of State

March 18, 1992

The Honorable Jerome Hughes
President of the Senate

Dear President Hughes:

It is my pleasure to enclose herewith the names of all notary commissions in the State of Minnesota issued between January 1, 1991, and December 31, 1991.

Pursuant to the provisions of Article V, Section 3, of the Minnesota Constitution, I hereby appoint those individuals as notaries public and hereby request the advice and consent of the Senate in those appointments.

Warm personal regards,
Arne H. Carlson, Governor

Mr. Spear moved that the appointments of notaries public be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2034, 2081, 2082, 2254, 2369, 2577, 2704, 2711, 2744 and 2792.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 18, 1992

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2034: A bill for an act relating to health; allowing persons who voluntarily provide assistance at the scene of an accident to obtain test results to determine whether they have been exposed to HIV or hepatitis B; amending Minnesota Statutes 1990, section 144.761, subdivision 5.

Referred to the Committee on Health and Human Services.

H.F. No. 2081: A bill for an act relating to health; modifying provider appeal requirements for medical assistance; amending Minnesota Statutes 1990, section 256B.50, subdivision 1b.

Referred to the Committee on Health and Human Services.

H.F. No. 2082: A bill for an act relating to utilities; requiring rules for tracing calls made to a household that has received harassing calls; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2320.

H.F. No. 2254: A bill for an act relating to occupations and professions; clarifying membership requirements for the board of pharmacy; amending Minnesota Statutes 1991 Supplement, section 151.03.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2049.

H.F. No. 2369: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers and surviving spouses in the city of Thief River Falls.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2242.

H.F. No. 2577: A bill for an act relating to towns; authorizing town boards to disclaim and extinguish a town interest in abandoned town roads; amending Minnesota Statutes 1990, section 164.06.

Referred to the Committee on Transportation.

H.F. No. 2704: A bill for an act relating to state government; increasing the size of the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council; amending Minnesota Statutes 1991 Supplement, section 3.9226, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 2711: A bill for an act relating to counties; establishing procedures for filling certain vacancies on county boards by general election; amending Minnesota Statutes 1990, section 375.101, by adding a subdivision.

Referred to the Committee on Elections and Ethics.

H.F. No. 2744: A bill for an act relating to the department of employee relations; modifying expense account terms and uses; amending Minnesota Statutes 1991 Supplement, section 43A.48.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2566.

H.F. No. 2792: A bill for an act relating to retirement; providing level benefits for members of the Minneapolis fire department relief association.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2581.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2534. The motion prevailed.

Mr. Chmielewski from the Committee on Employment, to which was referred

H.F. No. 2142: A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 34, delete everything after the period and insert "*The department shall make the poster available, upon request, to employers for posting on the employer's premises.*"

Page 2, delete lines 35 and 36

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. 2529: A bill for an act relating to labor; requiring arbitration in certain circumstances; establishing procedures; providing penalties; amending Minnesota Statutes 1990, sections 179.06, by adding a subdivision; and 179A.16, subdivision 3, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, after line 14, insert:

"(c) This subdivision does not apply to a group or unit of employees for two years after its creation as a result of a school district consolidation under Minnesota Statutes, chapter 122."

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. 2136: A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, subdivision 3, and by adding subdivisions; and 222.88.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 12 to 16 and insert:

"Subd. 2a. [CONTRACTS WITH LABOR ORGANIZATIONS.] Except for provisions governing wages, an acquiring carrier succeeds to and is bound by the contracts, agreements, and understandings between the divesting carrier and affected labor organizations for a period of six months or such longer period as may be agreed to by the parties."

And when so amended the bill do pass and be re-referred to the Committee on Transportation. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2650: A bill for an act relating to human services; providing for continuous eligibility for work readiness under certain conditions; extending eligibility duration; establishing a grant diversion program; changing penalties; amending Minnesota Statutes 1990, section 256D.101, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1 and 1a; and 256D.052, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 256D; repealing Minnesota Statutes 1990, section 256D.09, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner and who is a resident of the state shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, licensed psychologist, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(8) a person who, following participation in the work readiness program,

completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the county agency determines is not employable. For purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. Eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility;

(9) a person who is determined by the county agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;

(11) a woman in the last trimester of pregnancy who does not qualify for aid to families with dependent children. A woman who is in the last trimester of pregnancy who is currently receiving aid to families with dependent children may be granted emergency general assistance to meet emergency needs;

(12) a person who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(13) a person who lives more than two hours round-trip traveling time from any potential suitable employment; ~~and~~

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day; ~~and~~

(15) a family as defined in section 256D.02, subdivision 5, which is

ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause;

(16) a person who is a drug dependent person as defined in section 254A.02, subdivision 5, and that condition prevents the person from obtaining or retaining employment. The determination of drug dependency must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use;

(17) a person who is unable to obtain or retain employment because the person is functionally illiterate or has not completed high school and the person is participating in a literacy program, GED, or high school assigned by the county agency. "Participate" means to attend regular classes, complete assignments, and make progress toward literacy goals or a high school diploma or general equivalency diploma; and

(18) a person who is unable to obtain or retain employment due to inability to communicate in the English language and who is participating at least half-time in a language skills program assigned by the county agency.

If a person under clause (17) or (18) fails to comply with participation requirements, the person is subject to the penalties under section 256D.101.

(b) Persons or families who are not state residents but who are otherwise eligible for general assistance may receive emergency general assistance to meet emergency needs.

(c) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(d) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or work readiness is upon the

applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

Sec. 2. Minnesota Statutes 1990, section 256D.05, is amended by adding a subdivision to read:

Subd. 8. [REFERRAL TO DEPARTMENT OF LABOR AND INDUSTRY.] A county agency that has reason to believe a person is employed but claims eligibility for general assistance or work assistance because the person's employer does not pay wages due as required under section 181.101 shall make a report to the department of labor and industry for investigation and collection of wages due on behalf of the person as provided in section 181.101.

Sec. 3. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of five ~~consecutive~~ calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's ~~five-month~~ eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, ~~and ends on the last day of the fifth consecutive calendar month, whether or not the person has received benefits for all five months. The person is not eligible to receive work readiness benefits during the seven calendar months immediately following the five-month eligibility period;~~ however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. *Initial payment will not be made until the registrant attends orientation to the work readiness program.* Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services

shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).

Sec. 4. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month unless the registrants comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the *time periods outlined in section 256D.101, subdivision 4, and with the work readiness requirements that had not been complied with*, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).

Sec. 5. Minnesota Statutes 1990, section 256D.051, is amended by adding a subdivision to read:

Subd. 6a. [GENERAL ASSISTANCE SERVICE COSTS.] *Service costs for persons under section 256D.05, subdivision 1, clauses (17) and (18),*

must be reimbursed by the commissioner as provided in subdivision 6.

Sec. 6. Minnesota Statutes 1990, section 256D.051, is amended by adding a subdivision to read:

Subd. 17. [START WORK GRANTS.] Within the limit of available appropriations, the county agency may make grants necessary to enable work readiness recipients to accept bona fide offers of employment. The grants may be made for costs directly related to starting employment, including transportation costs, clothing, tools and equipment, license or other fees, and relocation. Start work grants are available once in any 12-month period to a recipient. The commissioner shall allocate money appropriated for start work grants to counties based on each county's work readiness caseload in the 12 months ending in March for each following state fiscal year and may reallocate any unspent amounts.

Sec. 7. [256D.091] [GRANT DIVERSION.]

Subdivision 1. [DEFINITIONS.] (a) "Diverted grant" means the amount of the general assistance grant or work readiness assistance payment, not exceeding the standard of assistance for one person, that is available for a wage subsidy.

(b) "Net monthly wage" means the income remaining to a registrant after taking the disregards and exclusions from income under section 256D.06.

(c) "Registrant" means a recipient of general assistance or work assistance who is participating in a grant diversion employment and employment-related program.

Subd. 2. [GRANT DIVERSION PROGRAM.] (a) The county agency may establish a grant diversion program for payment of all or a part of a recipient's general assistance or work readiness grant to a private or non-profit employer who agrees to employ the recipient in a permanent job or to a public employer who agrees to employ the recipient in a permanent job or an approved community investment program. The county agency may administer and deliver grant diversions directly or may contract for delivery of the program according to section 268.871.

(b) The county agency shall assess a registrant's continued eligibility for general assistance or work readiness assistance before the end of the registrant's grant diversion period.

(c) The county agency shall submit fiscal and summary reports required by the commissioner.

Subd. 3. [REGISTRANT PARTICIPATION.] (a) A recipient may refuse employment or employment-related training under the grant diversion program unless the recipient lacks a work history or local work reference and the recipient's employability plan requires participation in a community investment program.

(b) A recipient may participate in a grant diversion program for up to four months.

(c) During participation in the grant diversion program, a registrant must submit to the county agency the monthly food stamp eligibility household report form.

Subd. 4. [CONTRACT WITH GRANT DIVERSION EMPLOYER.] The county agency or the local service unit shall enter into a written contract

with a grant diversion employer. The contract must include:

(1) the period of time the diverted grant is available;

(2) the amount of the monthly diverted grant;

(3) the method of payment of the diverted grant;

(4) data gathering and reporting requirements;

(5) agreement by the employer not to terminate or reduce the working hours of current employees in order to participate in the grant diversion program;

(6) agreement by the employer to provide the registrant the same or a comparable level of wages, fringe benefits, and workers' compensation coverage that are provided other employees; and

(7) agreement by the employer to hire the registrant at the end of the grant diversion period.

Subd. 5. [NOTICE TO REGISTRANT.] The county agency or local service unit shall provide the registrant written notice of the terms of the registrant's grant diversion program, including:

(1) the requirement to complete the period of subsidized employment or employment-related training specified in the contract;

(2) the date of the first day of employment or employment-related training;

(3) the name, address, and occupational title of the employer;

(4) the hourly wage and the number of work hours per week;

(5) the effect of participation on work readiness eligibility;

(6) the maximum period of participation and the months the registrant's grant will be diverted;

(7) the amount of the diverted grant and the amount of any residual assistance grant; and

(8) the actions to be taken if the registrant fails to complete the grant diversion participation period.

The county agency shall maintain a copy of the notice in the registrant's case file.

Subd. 6. [GRANT DIVERSION MONTHLY PAYMENT.] (a) The county agency shall calculate and pay the diverted grant directly to the registrant's employer or shall reimburse an employment and training service provider that has paid the employer. The amount of monthly payment available to an employer under the grant diversion program must not exceed the monthly standard of assistance for one person.

(b) If a registrant is receiving assistance as a member of an assistance unit, the monthly payment to the assistance unit may be reduced only by the amount of the assistance standard for one person.

(c) Notwithstanding any change in resources, household, or income of the registrant or the registrant's assistance unit, eligibility for work readiness and the amount of monthly payment is not subject to change during the grant diversion period if the registrant is participating in the grant diversion program as required in the notice provided under subdivision 5.

Subd. 7. [MEDICAL CARE.] A registrant is eligible for general assistance medical care during the term of the grant diversion contract to the extent that medical care coverage is not provided by the employer.

Subd. 8. [CHILD CARE.] A recipient who is the sole adult in an assistance unit with one or more children under 12 years of age must not be referred to the grant diversion program during hours the child is in the home unless the county agency pays any child care expenses that exceed the child care deduction from earned income.

Subd. 9. [DISQUALIFICATION.] A registrant who fails without good cause to complete the grant diversion period specified in the contract must be disqualified from receiving assistance as provided in section 256D.101.

Sec. 8. Minnesota Statutes 1990, section 256D.101, is amended by adding a subdivision to read:

Subd. 4. [PENALTIES.] Failure by a registrant to comply with work readiness requirements results in the registrant being terminated from the program for the following time periods:

(1) a first occurrence of noncompliance without good cause within a 12-month period results in termination of the registrant from the program until compliance with the failed requirements;

(2) a second occurrence without good cause within a 12-month period results in termination of the registrant from the program until compliance with the failed requirements, or three months, whichever is longer; and

(3) a third or subsequent occurrence of noncompliance without good cause within a 12-month period results in termination of the registrant from the program until compliance with the failed requirements, or six months, whichever is longer.

If the registrant complies with the requirements before the effective date of termination, the time penalties in this section do not apply.

Sec. 9. Minnesota Statutes 1990, section 261.001, subdivision 1, is amended to read:

Subdivision 1. The town system for caring for the poor is hereby abolished; hereafter, the county welfare board of each county shall administer poor relief. *Poor relief means payment for costs as specifically required or authorized in this chapter, and does not include assistance to meet basic maintenance needs of poor or indigent persons.*

Sec. 10. Minnesota Statutes 1990, section 261.063, is amended to read:

261.063 [TAX LEVY FOR SOCIAL SECURITY MEASURES; DUTIES OF COUNTY BOARD.]

The board of county commissioners of each county shall annually levy taxes and fix a rate sufficient to produce the full amount required for ~~poor relief~~ *benefits specifically required or authorized in this chapter, and the county share of general assistance, aid to dependent children, county share of county and state supplemental aid to supplemental security income applicants or recipients, and any other social security measures wherein there is now or may hereafter be county participation, sufficient to produce the full amount necessary for each such item, including administrative expenses, for the ensuing year, within the time fixed by law in addition to all other tax levies and tax rates, however fixed or determined, and any commissioner*

who shall fail to comply herewith shall be guilty of a gross misdemeanor and shall be immediately removed from office by the governor.

Sec. 11. [REPEALER.]

Minnesota Statutes 1990, sections 256D.052, as amended by Laws 1991, chapter 292, article 5, sections 43 and 44; and 256D.09, subdivision 3, are repealed."

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "amending general assistance eligibility;"

Page 1, line 6, delete "section" and insert "sections 256D.05, by adding a subdivision; 256D.051, by adding subdivisions;"

Page 1, line 7, after the semicolon, insert "261.001, subdivision 1; 261.063;"

Page 1, line 8, after "sections" insert "256D.05, subdivision 1;"

Page 1, line 9, delete "and 256D.052, subdivision 4;"

Page 1, line 11, delete "section" and insert "sections 256D.052, as amended; and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2069: A bill for an act relating to agriculture; adding Roseau and Koochiching counties to the restricted seed potato growing area; amending Minnesota Statutes 1990, section 21.1196, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2566: A bill for an act relating to the department of employee relations; modifying expense account terms and uses; amending Minnesota Statutes 1991 Supplement, section 43A.48.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

H.F. No. 980: A bill for an act relating to the legislature; authorizing joint legislative commissions to issue subpoenas; amending Minnesota Statutes 1990, section 3.153.

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. 2367: A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 26, insert:

“Sec. 2. Minnesota Statutes 1990, section 352C.033, is amended to read:

352C.033 [DEFERRED ANNUITIES AUGMENTATION.]

The deferred retirement allowance for any former constitutional officer or commissioner shall be augmented as provided in this section. The required reserves applicable to the deferred retirement allowance, determined as of the date the retirement allowance begins to accrue using the appropriate mortality table and an interest assumption of five percent, shall be augmented from the first of the month following termination of service as a constitutional officer or commissioner, or January 1, 1979, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually until January 1 of the year in which the former constitutional officer or commissioner attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually.”

Page 9, line 18, before the period, insert “; RETROACTIVE APPLICATION”

Page 9, line 19, delete “to 17” and insert “and 3 to 18” and after the period, insert “Section 2 is effective on the day following final enactment and applies to any former constitutional officer or commissioner eligible for a deferred retirement allowance on that date.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “changing the formula for compounding interest on deferred annuities of constitutional officers or commissioners;”

Page 1, line 5, after the semicolon, insert “352C.033;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 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.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [DULUTH POLICE AND FIRE PENSION PLANS; JOINT CONSOLIDATION ACCOUNT.]

(a) Notwithstanding any provision of Minnesota Statutes, section 353A.09, subdivision 1, to the contrary, if the Duluth fire department relief association consolidates with the public employees police and fire fund under Minnesota Statutes, chapter 353A, the executive director of the public employees retirement association shall establish a joint Duluth police and fire consolidation account for the consolidated Duluth police pension association and the consolidated Duluth fire department relief association.

(b) To that joint account must be credited the assets of the former Duluth police pension account and the assets of the former Duluth fire department relief association in existence upon the consolidation of the Duluth fire department relief association, plus member contributions received after that date under Minnesota Statutes, section 353A.09, subdivision 4, municipal contributions received after that date under Minnesota Statutes, section 353A.09, subdivision 5, and a proportionate share of investment income earned after that date by the public employees police and fire consolidation accounts.

(c) From that joint account must be transferred or paid the following:

(1) amounts for transfer to the Minnesota postretirement investment fund under Minnesota Statutes, section 353A.09, subdivisions 2 and 3, and Minnesota Statutes, section 353.271, subdivision 2, representing the required reserves for persons covered by the joint consolidation account who elect benefits calculated under the public employees police and fire fund benefit plan;

(2) pension and benefit amounts for persons covered by the joint consolidation account who elected coverage under the applicable relief association benefit plan under Minnesota Statutes, section 353A.08;

(3) benefit amounts not payable from the Minnesota postretirement investment fund for persons covered by the joint consolidation account who elected benefits calculated under the public employees police and fire fund benefit plan; and

(4) any direct administrative expenses of the public employees police and fire fund related to the special joint account and a proportional share of the general administrative expenses of the public employees retirement association.

(d) The executive director of the public employees retirement association shall maintain separate personnel data records in connection with each

consolidated relief association. The actuary retained by the legislative commission on pensions and retirement shall provide as part of the actuary's regular actuarial work for the consolidation accounts separate exhibits for each consolidated Duluth relief association.

(e) The executive director of the public employees retirement association shall adopt policies and procedures necessary for the administration of a joint consolidation account.

Sec. 2. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 1 is effective upon approval by the city council of the city of Duluth and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to retirement; Duluth fire and police pension plans; authorizing a joint consolidation account in the event of the consolidation of the Duluth fire department relief association with the public employees police and fire fund."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1728: A bill for an act relating to elected officials; compensation plans; prohibiting vacation and sick leave for certain elected officials of political subdivisions; amending Minnesota Statutes 1990, section 43A.17, 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 471.66, is amended to read:
471.66 [VACATIONS.]

Subdivision 1. Hereafter The governing body of each city and town in the state of Minnesota, however organized, may by resolution or ordinance provide for the granting of vacations, with or without pay, to all its regularly employed employees or officers, upon such terms and under such conditions as said governing body may determine, and subject to such requirements as to length of service with such municipality as said governing body may require.

Subd. 2. Nothing in ~~the foregoing provisions~~ *subdivision 1* shall be construed as retroactive in its purpose or intent so as to give the governing body of any such city or town the right to grant vacations based on service of its employees or officers rendered prior to the enactment of such ordinance or resolution.

Subd. 3. No elected official of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, may receive monetary compensation for unused vacation or sick leave accruals. Nothing in this subdivision shall restrict an elected official from taking vacation or sick leave time that may be provided for by resolution or ordinance of the governing body of a

statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state."

Amend the title as follows:

Page 1, line 3, after "prohibiting" insert "compensation for unused"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2396: A bill for an act relating to retirement; St. Paul teachers; making various changes in administrative provisions of laws governing the St. Paul teachers retirement fund association; amending Minnesota Statutes 1990, sections 354A.011, subdivisions 4, 8, 11, 12, 13, 14, 15, 21, 24, and 27; 354A.021, subdivision 6; 354A.05; 354A.08; 354A.096; 354A.36, subdivision 3; 354A.38, subdivision 3; and 354A.39; Minnesota Statutes 1991 Supplement, section 354A.011, subdivision 26; repealing Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete section 6

Page 8, after line 5, insert:

"Sec. 15. Minnesota Statutes 1990, section 354A.31, subdivision 3, is amended to read:

Subd. 3. [RESUMPTION OF TEACHING AFTER COMMENCEMENT OF A RETIREMENT ANNUITY.] Any person who retired and is receiving a coordinated program retirement annuity under the provisions of sections 354A.31 to 354A.41 and who has resumed teaching service for the school district in which the teachers retirement fund association exists is entitled to continue to receive retirement annuity payments except that annuity payments must be reduced during the calendar year immediately following the calendar year in which the person's income from the teaching service is in an amount greater than the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services under the provisions of United States Code, title 42, section 403. The amount of the reduction must be ~~one-half~~ *one-third* the amount in excess of the applicable reemployment income maximum specified in this subdivision and must be deducted from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned. If the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person must be equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

If the person is retired for only a fractional part of the calendar year during the initial year of retirement, the maximum reemployment income specified in this subdivision must be prorated for that calendar year.

After a person has reached the age of 70, no reemployment income

maximum is applicable regardless of the amount of any compensation received for teaching service for the school district in which the teachers retirement fund association exists.”

Pages 8 and 9, delete section 18 and insert:

“Sec. 18. [FIRST CLASS CITY TEACHERS PLANS, RETIREE RESUMING SERVICE.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, and the Duluth teachers retirement fund association, to amend the articles of incorporation or bylaws of the respective association. This authorization is to provide that any person who is retired and receiving a basic program formula retirement annuity under the articles of incorporation or bylaws of the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, or any person who is retired and receiving an old law coordinated program formula retirement annuity under the articles of incorporation or bylaws of the Duluth retirement fund association, and who has resumed teaching service for the school district covered by that same retirement fund association, is entitled to continue to receive retirement annuity payments. However, the annuity payments must be reduced in accordance with Minnesota Statutes, section 354A.31, subdivision 3, if the person's income from teaching service is an amount greater than the maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors, and disability insurance program as set by the Secretary of Health and Human Services under United States Code, title 42, section 403.

Sec. 19. [MINNEAPOLIS RESERVE TEACHERS, EXCLUSION OF PRIOR SERVICE.]

A reserve teacher providing service to special school district No. 1 prior to July 1, 1988, for whom contributions were not made to the Minneapolis teachers retirement fund association is not eligible to receive service credit for the period or periods of omitted contributions, unless service credit has previously been granted for the period or periods. On or after July 1, 1992, reserve teachers meeting the definition of a teacher as defined under Minnesota Statutes, section 354A.011, subdivision 27, and providing service to special school district No. 1 must become members and contributions must be deducted as required by Minnesota Statutes, section 354A.12.

Sec. 20. [OMITTED CONTRIBUTION REIMBURSEMENT; MINNEAPOLIS TEACHERS RETIREMENT FUND ASSOCIATION AND SPECIAL SCHOOL DISTRICT NO. 1.]

Subdivision 1. [REIMBURSEMENT AUTHORIZATION.] Special school district No. 1 is authorized to be reimbursed for a portion of contributions certified by the executive director of the Minneapolis teachers retirement fund association to the commissioner of finance under Laws 1991, chapter 317, sections 3 and 6, if the omitted contributions occurred during the period of July 1, 1988, to July 1, 1991, and were certified to the commissioner of finance before January 31, 1992.

Subd. 2. [TEACHER NOTIFICATION.] The executive director of the Minneapolis teachers retirement fund association and the school board must jointly notify in writing teachers with omitted contributions identified in

subdivision 1 of their option to make payment of omitted employee contributions without interest.

Subd. 3. [PAYMENT PROCEDURE.] If an individual notified under subdivision 2 elects to make payment, the full amount must be remitted to the association in a lump sum within 60 days of notification, or the individual may elect to make payment through a payroll deduction. If the individual chooses to make payment through a payroll deduction, that option must be selected within 60 days of notification. The payroll deduction period may not exceed one year. The employing unit must transmit amounts withheld through payroll deductions to the association along with normal payroll contributions.

Subd. 4. [SCHOOL DISTRICT REIMBURSEMENT.] On a quarterly basis, the executive director of the association will determine the amounts received by the association under subdivision 3 through direct lump-sum payments and payroll deductions. The employing unit will be notified of these amounts received by the association, and the employing unit may withhold an equivalent amount from subsequent obligations under Minnesota Statutes, section 354A.12, subdivision 2.

Subd. 5. [EFFECT OF TEACHER NONPAYMENT.] (a) If a teacher notified under subdivision 2 does not elect to make payments under subdivision 3, or if full payment is not received within the required time limits, the teacher is not entitled to the service credit for the period of omitted contributions identified in subdivision 1, or for any earlier period, and the teacher forfeits any option to purchase that service credit at a later date.

(b) For individuals identified in paragraph (a), the association must determine an amount equivalent to the omitted employee contribution, without interest, for the period specified in subdivision 1. This amount shall be applied by the employer against subsequent obligations under Minnesota Statutes, section 354A.12, subdivision 2."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 4, delete "St. Paul" and insert "first class city"

Page 1, line 5, delete "association" and insert "associations"

Page 1, line 6, delete "14."

Page 1, line 8, after the second semicolon, insert "354A.31, subdivision 3;" and after the third semicolon, insert "and"

Page 1, line 9, delete "and 354A.39;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2282: A bill for an act relating to state government; regulating administrative rulemaking; providing for corrective legislation; requiring the attorney general and administrative law judge to disregard harmless errors; regulating dual notices; establishing an expedited procedure for federally mandated rules; amending Minnesota Statutes 1990, sections 3C.04, subdivision 4; 14.115, subdivision 5; 14.15, by adding a subdivision;

14.22; 14.26; and 14.32; proposing coding for new law in Minnesota Statutes, chapter 14.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 3C.04, subdivision 4, is amended to read:

Subd. 4. [TECHNICAL BILLS.] The revisor’s office shall prepare and submit to the legislature bills clarifying and correcting the statutes *and administrative rules*.

Sec. 2. Minnesota Statutes 1990, section 14.115, subdivision 5, is amended to read:

Subd. 5. [COMPLIANCE.] If an administrative law judge or the attorney general finds that an agency has failed to comply with subdivisions 1 to 4, the rules shall not be adopted *unless the failure to comply is considered a harmless error under section 14.15, subdivision 5; 14.26, subdivision 3; or 14.32, subdivision 2*.

Sec. 3. Minnesota Statutes 1990, section 14.15, subdivision 1, is amended to read:

Subdivision 1. [TIME OF PREPARATION.] After allowing written material to be submitted and recorded in the hearing record for five working days after the public hearing ends, or for a longer period not to exceed 20 days if ordered by the administrative law judge, the administrative law judge assigned to the hearing shall write a report as provided for in section 14.50. Prior to writing the report, the administrative law judge shall allow the agency and interested persons ~~three business~~ *five working* days after the submission period ends to respond in writing to any new information submitted. During the ~~three-day~~ *five-day* period, the agency may indicate in writing whether there are amendments suggested by other persons which the agency is willing to adopt. Additional evidence may not be submitted during this ~~three-day~~ *five-day* period. The written responses shall be added to the rulemaking record.

Sec. 4. Minnesota Statutes 1990, section 14.15, is amended by adding a subdivision to read:

Subd. 5. [HARMLESS ERRORS.] The administrative law judge shall disregard any error or defect in the proceeding due to the agency’s failure to satisfy any procedural requirement imposed by law or rule if the administrative law judge finds:

(1) that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process; or

(2) that the agency has taken corrective action to cure the error or defect so that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process.

Sec. 5. Minnesota Statutes 1990, section 14.22, is amended to read:

14.22 [NOTICE OF PROPOSED ADOPTION OF RULES.]

Subdivision 1. [CONTENTS.] Unless an agency proceeds directly to a public hearing on a proposed rule and gives the notice prescribed in section

14.14, subdivision 1a, the agency shall give notice of its intention to adopt a rule without public hearing. The notice shall be given by publication in the State Register and by United States mail to persons who have registered their names with the agency pursuant to section 14.14, subdivision 1a. The mailed notice shall include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and an announcement that a free copy of the proposed rule is available on request from the agency. The notice in the State Register shall include the proposed rule or the amended rule in the form required by the revisor under section 14.07, and a citation to the most specific statutory authority for the proposed rule. When an entire rule is proposed to be repealed, the notice need only state that fact, giving the citation to the rule to be repealed in the notice. The notice shall include a statement advising the public:

(1) that they have 30 days in which to submit comment in support of or in opposition to the proposed rule and that comment is encouraged;

(2) that each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed;

(3) that if 25 or more persons submit a written request for a public hearing within the 30-day comment period, a public hearing will be held;

(4) of the manner in which persons shall request a public hearing on the proposed rule;

(5) that the name and address of the person requesting a public hearing shall be stated, and that the requester is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed;

(6) that the proposed rule may be modified if the modifications are supported by the data and views submitted; and

(7) that if a hearing is not required, notice of the date of submission of the proposed rule to the attorney general for review will be mailed to any person requesting to receive the notice.

In connection with the statements required in clauses (1) and (3), the notice must also include the date on which the 30-day comment period ends.

Subd. 2. [DUAL NOTICES.] The agency may, at the same time notice is given under subdivision 1, give notice of a public hearing and of its intention to proceed under sections 14.14 to 14.20, if one is required under section 14.25. The notice must include a statement advising the public of its intention to cancel the public hearing if 25 or more persons do not request one. If a hearing is required, there must be at least ten calendar days between the last day for requesting a hearing and the day of the hearing.

Sec. 6. Minnesota Statutes 1990, section 14.26, is amended to read:

14.26 [ADOPTION OF PROPOSED RULE; SUBMISSION TO ATTORNEY GENERAL.]

Subdivision 1. [SUBMISSION.] If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. If the proposed

rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed rule, as modified, is available upon request from the agency. The rule and these materials shall be submitted to the attorney general within 180 days of the day that the comment period for the rule is over or the rule is automatically withdrawn. The agency shall report its failure to adopt the rules and the reasons for that failure to the legislative commission to review administrative rules, other appropriate legislative committees, and the governor.

Subd. 2. [RESUBMISSION.] Even if the 180-day period expires while the attorney general reviews the rule, if the attorney general rejects the rule, the agency may resubmit it after taking corrective action. The resubmission must occur within 30 days of when the agency receives written notice of the disapproval. If the rule is again disapproved, the rule is withdrawn. An agency may resubmit at any time before the expiration of the 180-day period. If the agency withholds some of the proposed rule, it may not adopt the withheld portion without again following the procedures of sections 14.14 to 14.28, or 14.29 to 14.36.

Subd. 3. [REVIEW.] The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, and determine whether the agency has the authority to adopt the rule and whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule within 14 days. If the rule is approved, the attorney general shall promptly file two copies of it in the office of the secretary of state. The secretary of state shall forward one copy of each rule to the revisor of statutes. If the rule is disapproved, the attorney general shall state in writing the reasons and make recommendations to overcome the deficiencies, and the rule shall not be filed in the office of the secretary of state, nor published until the deficiencies have been overcome. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

The attorney general shall disregard any error or defect in the proceeding due to the agency's failure to satisfy any procedural requirements imposed by law or rule if the attorney general finds:

- (1) that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process; or*
- (2) that the agency has taken corrective action to cure the error or defect so that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process.*

Subd. 4. [COSTS.] The attorney general shall assess an agency for the actual cost of processing rules under this section. The agency shall pay the attorney general's assessments using the procedures of section 8.15. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 7. Minnesota Statutes 1990, section 14.30, is amended to read:

14.30 [NOTICE OF PROPOSED ADOPTION OF EMERGENCY RULE.]

The proposed emergency rule shall be published with a notice of intent to adopt emergency rules in the State Register, and the same notice shall

be mailed to all persons registered with the agency to receive notice of any rulemaking proceedings. The notice shall include a statement advising the public that a free copy of the proposed rule is available on request from the agency and that notice of the date of submission of the proposed emergency rule to the attorney general will be mailed to any person requesting to receive the notice. For at least 25 days after publication the agency shall afford all interested persons an opportunity to submit data and views on the proposed emergency rule in writing. *The notice must also include the date on which the 25-day comment period ends.*

Sec. 8. Minnesota Statutes 1990, section 14.32, is amended to read:

14.32 [SUBMISSION OF PROPOSED EMERGENCY RULE TO ATTORNEY GENERAL.]

Subdivision 1. [SUBMISSION.] The agency shall submit to the attorney general the proposed emergency rule as published, with any modifications. On the same day that it is submitted, the agency shall mail notice of the submission to all persons who requested to be informed that the proposed emergency rule has been submitted to the attorney general. If the proposed emergency rule has been modified, the notice shall state that fact, and shall state that a free copy of the proposed emergency rule, as modified, is available upon request from the agency.

Subd. 2. [REVIEW.] The attorney general shall review the proposed emergency rule as to its legality, review its form to the extent the form relates to legality, and shall approve or disapprove the proposed emergency rule and any modifications on the tenth working day following the date of receipt of the proposed emergency rule from the agency. The attorney general shall send a statement of reasons for disapproval of the rule to the agency, the chief administrative law judge, the legislative commission to review administrative rules, and to the revisor of statutes.

The attorney general shall disregard any error or defect in the proceeding due to the agency's failure to satisfy any procedural requirement imposed by law or rule if the attorney general finds:

(1) that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process; or

(2) that the agency has taken corrective action to cure the error or defect so that the failure did not deprive any person or entity of an opportunity to participate meaningfully in the rulemaking process.

Subd. ~~2~~ 3. [COSTS.] The attorney general shall assess an agency for the actual cost of processing rules under this section. Each agency shall include in its budget money to pay the attorney general's assessment. Receipts from the assessment must be deposited in the state treasury and credited to the general fund.

Sec. 9. [DUAL NOTICE RULES.]

The attorney general, after consultation with the office of administrative hearings, shall adopt rules prescribing the form and content of the notice authorized by Minnesota Statutes, section 14.22, subdivision 2. The rules may provide for a consolidated notice that satisfies the requirements of Minnesota Statutes, sections 14.14, 14.22, and 14.50, and the requirements of the rules of the office of administrative hearings and of the attorney general.

Sec. 10. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; regulating administrative rulemaking; providing for corrective legislation; extending the response period that precedes the writing of an administrative law judge's report on rules adopted after public hearing; requiring the attorney general and administrative law judge to disregard harmless errors; regulating notices; amending Minnesota Statutes 1990, sections 3C.04, subdivision 4; 14.115, subdivision 5; 14.15, subdivision 1, and by adding a subdivision; 14.22; 14.26; 14.30; and 14.32."

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. 2503: A bill for an act relating to telecommunications; authorizing the telecommunications access for communication-impaired persons' board to advance money to contractors under certain conditions; prescribing the terms and compensation of board members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2086: A bill for an act relating to courts; providing for the distribution of certain court revenue in Ramsey county; amending Minnesota Statutes 1990, section 488A.20, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 15, insert:

"Sec. 2. [ADJUSTMENTS TO LEVY LIMITS.]

If the repeal of Minnesota Statutes, sections 275.50 to 275.58, is delayed or is reenacted by a law enacted in the 1992 legislative session, the commissioner of revenue shall adjust the payable 1993 levy limitations for the city of St. Paul and Ramsey county. The commissioner shall decrease St. Paul's levy limitation by an amount equal to the estimated increase in revenue which the city will be receiving in calendar year 1993 based upon the change in the distribution of fines or penalties under Minnesota Statutes, section 488A.20, subdivision 4. The commissioner shall increase Ramsey county's levy limitation by an amount equal to the estimated loss in revenue to Ramsey county in calendar year 1993 resulting from the change in distribution of fines or penalties under section 488A.20, subdivision 4. For purposes of the levy limit adjustments made under this section, collections estimated in Ramsey county's 1992 adopted budget will be used to determine the revenue loss to the county and the revenue gain to the city. This adjustment will be a permanent levy limit base adjustment for taxes payable in 1994 and subsequent years. The amounts shall be certified to the commissioner of revenue by the Ramsey county court administrator on or before

June 1, 1992.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for collections made July 1, 1992, and thereafter."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for an adjustment to levy limits;"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 2509: A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; appropriating money; amending Minnesota Statutes 1990, sections 41A.09, subdivision 2, and by adding a subdivision; 239.06; 239.75; 239.79; 239.80; 296.01, subdivisions 1, 2, 3, 4, 4a, 4b, 15, 24, and by adding subdivisions; 296.02, subdivisions 1, 2, and 7; Minnesota Statutes 1991 Supplement, section 239.05, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.75, subdivisions 3 and 4; 239.76, as amended; 239.79, subdivisions 1 and 2; 296.01, subdivision 2a; and 325E.09.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2272: A bill for an act relating to the legislature; declaring a state policy for children, youth, and their families; amending the responsibilities of the legislative commission on children, youth, and their families; appropriating money; amending Minnesota Statutes 1991 Supplement, section 3.873, subdivisions 1, 4, 5, and by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2534: A bill for an act relating to human services; revising conditions covered under Minnesota family investment plan; expanding persons considered when determining family income; delaying the date of implementation for field trials of Minnesota family investment plan; amending Minnesota Statutes 1991 Supplement, sections 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; and 256.0361, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1835: A bill for an act relating to public debt; providing for the construction of the Northwest Juvenile Training Center; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was re-referred

S.F. No. 1846: A bill for an act relating to corrections; requiring community-based sex offender treatment programs to be certified; establishing a sex offender treatment fund; requiring the legislative auditor to prepare a plan to implement an outcome-based evaluation and quality management system for sex offender treatment programs; requiring a report; requiring new and remodeled correctional facilities to comply with multiple occupancy standards; appropriating money; amending Minnesota Statutes 1990, sections 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, and 3; 242.195, subdivision 1; and 243.53; proposing coding for new law in Minnesota Statutes, chapters 241; and 244.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 17, insert:

“Section 1. [145.9265] [FETAL ALCOHOL SYNDROME AND EFFECTS AND DRUG-EXPOSED INFANT PREVENTION.]

The commissioner of health, in coordination with the commissioner of education and the commissioner of human services, shall design and implement a coordinated prevention effort to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and reduce the number of drug-exposed infants. The commissioner shall:

(1) conduct research to determine the most effective methods of preventing fetal alcohol syndrome, fetal alcohol effects, and drug-exposed infants and to determine the best methods for collecting information on the incidence and prevalence of these problems in Minnesota;

(2) provide training on effective prevention methods to health care professionals and human services workers; and

(3) operate a statewide media campaign focused on reducing the incidence of fetal alcohol syndrome and fetal alcohol effects, and reducing the number of drug-exposed infants.”

Page 1, line 25, delete “9530.4450” and insert “9530.6500”

Page 2, line 14, delete “5” and insert “6”

Page 9, line 7, delete “certified” and insert “licensed”

Page 9, after line 8, insert:

“All chemical dependency programs operated by the commissioner of corrections shall report on the drug and alcohol abuse normative evaluation system operated by the department of human services and shall participate in the department of human services treatment accountability plan.”

Page 10, after line 12, insert:

"Sec. 11. Minnesota Statutes 1990, section 254A.14, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR TREATMENT OF HIGH-RISK YOUTH.] The commissioner of human services shall award grants on a pilot project basis to develop culturally specific chemical dependency treatment programs for minority and other high-risk youth, including those enrolled in area learning centers, those presently in residential chemical dependency treatment, and youth currently under commitment to the commissioner of corrections or detained under chapter 260. Proposals submitted under this section shall include an outline of the treatment program components, a description of the target population to be served, and a protocol for evaluating the program outcomes.

Sec. 12. Minnesota Statutes 1990, section 254A.17, subdivision 1, is amended to read:

Subdivision 1. [MATERNAL AND CHILD SERVICE PROGRAMS.] (a) The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high-risk population.

(b) The commissioner of human services shall develop models for the treatment of children ages 6 to 12 who are in need of chemical dependency treatment. The commissioner shall fund at least two pilot projects with qualified providers, to provide nonresidential treatment for children in this age group. Model programs must include a component to monitor and evaluate treatment outcomes.

Sec. 13. Minnesota Statutes 1990, section 254A.17, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM FOR PREGNANT WOMEN AND WOMEN WITH CHILDREN.] Within the limits of funds available, the commissioner of human services shall fund programs providing specialized chemical dependency treatment for pregnant women and women with children. The programs shall provide prenatal care, child care, housing assistance, and other services needed to ensure successful treatment.

Sec. 14. Minnesota Statutes 1991 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse prevention resource council consisting of 47 19 members is established. The commissioners of public safety, education, health, corrections, and human services, the director of the office of strategic and long-range planning, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education

including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 15. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2a, is amended to read:

Subd. 2a. [GRANT PROGRAMS.] The council shall, *in coordination with the assistant commissioner of the office of drug policy*, review and approve state agency plans regarding the use of federal funds for programs to reduce chemical abuse or reduce the supply of controlled substances. The appropriate state agencies would have responsibility for management of state and federal drug grant programs.

Sec. 16. [299A.325] [STATE CHEMICAL HEALTH INDEX MODEL.]

The assistant commissioner of the office of drug policy and the chemical abuse prevention resource council shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 17. [STATEWIDE MEDIA CAMPAIGN.]

The commissioner of health, in collaboration with the commissioner of human services and the commissioner of public safety, shall design and implement a statewide mass media campaign for the promotion of chemical health. The campaign must use both traditional and nontraditional media and focus on and support chemical health activities conducted at the community level with diverse and targeted populations. The campaign must last a minimum of six months, and be coordinated with local school and community educational efforts, policy, skills training, and behavior modeling."

Page 10, line 29, delete "2 to 5" and insert "3 to 6"

Page 12, line 25, delete "9" and insert "10"

Page 12, after line 29, insert:

"Sec. 23. [APPROPRIATIONS; DEPARTMENT OF HUMAN SERVICES.]

Subdivision 1. [PROGRAMS FOR HIGH-RISK YOUTH.] § is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, for purposes of funding programs under section 11.

Subd. 2. [PROGRAMS FOR PREGNANT WOMEN AND WOMEN WITH CHILDREN.] § is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, for purposes of funding programs under section 13.

Subd. 3. [TREATMENT PROGRAMS FOR CHILDREN.] §

is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, for purposes of funding pilot projects under section 12.

Subd. 4. [CHEMICAL USE ASSESSMENTS.] \$ is appropriated from the general fund to the commissioner of human services for the fiscal year ending June 30, 1993, to pay for chemical use assessments ordered by juvenile courts under section

\$ is appropriated to the commissioner of human services to provide funding to local agencies to partially pay for the cost of chemical use assessment activity required in Minnesota Statutes, section 609.11, subdivision 8. The commissioner is authorized to require local county coordination of assessment billing and a single invoice from each county per quarter that summarizes the number of assessments performed and the cost. The commissioner may pay, within the limitations of available appropriations, for up to 25 percent of the actual cost of the assessments performed."

Page 12, line 31, delete "14" and insert "23"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 10, after the first semicolon, insert "requiring coordinated prevention efforts concerning fetal alcohol syndrome and drug-exposed infants; appropriating money for community chemical abuse prevention program grants; providing grants for chemical dependency programs targeted at pregnant women and mothers, high-risk youth, and young children; expanding the membership of the chemical abuse prevention resource council; requiring the development of a chemical health index model; requiring a statewide chemical health media campaign;"

Page 1, line 13, delete "and" and after "243.53;" insert "254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 299A.31, subdivision 1; and 299A.32, subdivision 2a;"

Page 1, line 14, after "chapters" insert "145;" and delete "and"

Page 1, line 15, before the period, insert "; and 299A"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2517: A bill for an act relating to agriculture; changing maximum annual ethanol producer payments in certain years; transferring certain money for an ethanol producers handbook; amending Minnesota Statutes 1991 Supplement, section 41A.09, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 17 and 19, strike "2000" and insert "2002"

Page 2, delete line 8 and insert "~~beginning July 1, 1993, and ending prior to June 30, 2000~~ 2002. Total"

Page 2, delete section 2

Page 3, line 2, delete everything after the period

Page 3, delete line 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 4

Page 1, line 5, delete "handbook;"

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. 2186: A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; providing for an American Indian child welfare advisory council; amending Minnesota Statutes 1990, section 257.3579; Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 2, line 22, strike everything after the period

Page 2, strike line 23

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 5 and 6

Page 1, line 7, delete "section 257.3579;" and insert "amending"

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. 1818 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.
		1818	1668		

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1818 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1818 and insert the language after the enacting clause of S.F. No. 1668, the first engrossment; further, delete the title of H.F. No. 1818 and insert the title of S.F. No. 1668, the first engrossment.

And when so amended H.F. No. 1818 will be identical to S.F. No. 1668, and further recommends that H.F. No. 1818 be given its second reading and substituted for S.F. No. 1668, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2465 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.
2465	2029				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2465 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2465 and insert the language after the enacting clause of S.F. No. 2029; further, delete the title of H.F. No. 2465 and insert the title of S.F. No. 2029.

And when so amended H.F. No. 2465 will be identical to S.F. No. 2029, and further recommends that H.F. No. 2465 be given its second reading and substituted for S.F. No. 2029, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 1744 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.
		1744	1710		

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. 2377 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.
2377	1968				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2377 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2377 and insert the language after the enacting clause of S.F. No. 1968, the first engrossment; further, delete the title of H.F. No. 2377 and insert the title of S.F. No. 1968, the first engrossment.

And when so amended H.F. No. 2377 will be identical to S.F. No. 1968, and further recommends that H.F. No. 2377 be given its second reading and substituted for S.F. No. 1968, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2095: A bill for an act relating to the environment; pollution control; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; amending Minnesota Statutes 1990, section 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 16, insert:

“Section 1. Minnesota Statutes 1990, section 116.02, subdivision 1, is amended to read:

Subdivision 1. A pollution control agency, designated as the Minnesota pollution control agency, is hereby created. The agency *board* shall consist of nine members appointed by the governor, by and with the advice and consent of the senate. One of such members shall be a person knowledgeable in the field of agriculture.

Sec. 2. Minnesota Statutes 1990, section 116.02, subdivision 2, is amended to read:

Subd. 2. The membership terms, compensation, removal of members, and filling of vacancies on the agency *board* shall be as provided in section 15.0575.

Sec. 3. Minnesota Statutes 1990, section 116.02, subdivision 3, is amended to read:

Subd. 3. The membership of the pollution control agency *board* shall be broadly representative of the skills and experience necessary to effectuate the policy of sections 116.01 to 116.075, except that no member appointed shall be an officer or employee of the state or federal government. Only two members at one time may be officials or employees of a municipality or any governmental subdivision, but neither may be a member *ex officio* or otherwise on the management board of a municipal sanitary sewage disposal system.

Sec. 4. Minnesota Statutes 1990, section 116.02, subdivision 4, is amended to read:

Subd. 4. The agency *board* shall elect a chair and such other officers as it deems necessary.

Sec. 5. Minnesota Statutes 1990, section 116.02, is amended by adding a subdivision to read:

Subd. 4a. [ORGANIZATIONAL DUTIES.] The agency board shall:

(1) establish long-term strategic policies for environmental regulation;
(2) review and comment on proposed agency rules with major strategic or environmental impact;

(3) hear appeals of decisions of the commissioner of the agency;

(4) adopt procedures and criteria for hearing appeals of the commissioner's decisions in controversial matters;

(5) adopt procedures to make the commissioner's decision immediately final in noncontroversial matters;

(6) develop a statement of its role and purpose and provide systematic orientation for new members;

(7) perform an annual review of the agency's implementation of board policy; and

(8) take any other steps necessary to maintain broad administrative and policy oversight of the agency."

Page 4, lines 21 and 25, delete "4 to 7" and insert "9 to 12"

Page 8, line 12, delete "7" and insert "12"

Page 8, lines 19 and 28, delete "4 to 7" and insert "9 to 12"

Page 8, line 23, delete "shall" and insert "must"

Page 9, line 4, delete "4 to 7" and insert "9 to 12"

Page 9, line 10, delete "shall have" and insert "has"

Page 9, line 22, delete "shall consist" and insert "consists"

Page 9, line 31, delete everything after "sources"

Page 9, line 32, delete everything before the semicolon

Page 9, after line 36, insert:

"The majority and minority leaders of the house of representatives and the senate shall each appoint one of the members listed in clause (3)."

Page 10, after line 15, insert:

“Sec. 13. [REPORT.]

The pollution control agency board shall develop proposed procedures and criteria under section 5, clause (4), and report the proposed procedures and criteria to the legislative committees having jurisdiction over natural resources and environmental issues by January 1, 1993.”

Page 10, line 17, delete “2” and insert “7” and after the period, insert “Sections 1 to 5 are effective July 1, 1993.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert “clarifying and distinguishing organizational duties of the board of the pollution control agency;”

Page 1, line 11, after the semicolon, insert “requiring a report;”

Page 1, line 12, delete “section” and insert “sections 116.02, subdivisions 1, 2, 3, 4, and by adding a subdivision; and”

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2273: A bill for an act relating to state government; reorganizing, consolidating, and restructuring state agencies and departments; creating the department of environmental protection and conservation, the board of environmental review, and the office of assistance and public advocacy; transferring all powers and duties of the pollution control agency, the department of natural resources, the environmental quality board, the board of water and soil resources, the office of waste management, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response compensation board; transferring certain powers and duties of the departments of agriculture, health, public safety, trade and economic development, and transportation; authorizing rulemaking; amending Minnesota Statutes 1991 Supplement, section 15A.081, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 100A; and 100B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. [100A.01] [DEPARTMENT OF ENVIRONMENTAL PROTECTION AND CONSERVATION.]

Subdivision 1. [ESTABLISHMENT AND ORGANIZATION.] The department of environmental protection and conservation is an agency in the executive branch of state government. The department is headed by a commissioner appointed by the governor subject to section 15.06. The commissioner may select one deputy, one executive assistant, one personal secretary, and up to four assistant commissioners. The commissioner and

these employees are in the unclassified service. The commissioner may employ other permanent and temporary employees in the classified service.

Subd. 2. [REGIONAL OFFICES.] In order to better serve the needs of the public and promote efficient administration, the commissioner shall establish six regional offices throughout the state. Regions may be patterned upon previous regions used by the department of natural resources, and must be arranged in a manner that makes maximum use of existing state-owned facilities.

Sec. 2. [100B.01] [ENVIRONMENTAL REVIEW BOARD.]

Subdivision 1. [MEMBERSHIP.] The environmental review board consists of seven members appointed by the governor and the commissioners of the departments of agriculture, transportation, health, and environmental protection and conservation. The commissioners are nonvoting members. The terms, compensation, and removal of the members appointed by the governor and the filling of their membership vacancies are governed by section 15.0575.

Subd. 2. [OFFICERS; EMPLOYEES; BUDGET.] The board shall elect a chair and may elect other officers from its voting members. A majority of the board constitutes a quorum. The board may employ a director in the unclassified service and other permanent and temporary employees in the unclassified and classified services. The commissioner of environmental protection and conservation shall furnish the board with other staff and administrative support. The board shall adopt an annual budget and work program.

Subd. 3. [POLITICAL NONPARTICIPATION.] While holding an appointment to the board, a member may not:

(1) be affiliated with or receive any income, directly or indirectly, from an entity that is subject to regulation by the department of environmental protection and conservation or an organization that attempts to exert influence over state environmental or conservation policy;

(2) engage in activities of a politically partisan nature; or

(3) hold another state or federal office other than a commission in a reserve component of the military forces of the United States or as a notary public.

Sec. 3. [100B.02] [OFFICE OF ASSISTANCE AND PUBLIC ADVOCACY.]

Subdivision 1. [ESTABLISHMENT AND ORGANIZATION.] The office of assistance and public advocacy is headed by a director appointed by the governor who serves in the unclassified service. The director may employ other permanent and temporary employees in the classified service.

Subd. 2. [POWERS AND DUTIES.] The office shall:

(1) function as the environmental permits coordination unit under sections 116C.22 to 116C.34;

(2) coordinate with local government units in implementing state and local environmental and natural resource programs and requirements;

(3) advocate on behalf of the public interest in administrative and judicial proceedings involving matters affecting natural resources or the environment;

(4) receive and process citizen complaints as provided in subdivision 3;

(5) make recommendations to the commissioner of the department of environmental protection and conservation, the governor, and the legislature on ways to improve the operation of the department; and

(6) submit an annual report describing the office's activities to the chairs of the legislative committees having jurisdiction over natural resources and the environment.

Subd. 3. [CITIZEN COMPLAINTS.] (a) The office shall:

(1) receive and forward to the appropriate persons in the department of environmental protection and conservation complaints from citizens relating to actions or inaction of the department; and

(2) investigate a citizen complaint where the complaint indicates that a department action or inaction may have been:

(i) contrary to law;

(ii) unreasonable, unfair, oppressive, or inconsistent;

(iii) arbitrary;

(iv) unclear or inadequately explained; or

(v) inefficiently performed.

(b) If the director determines that a complaint has merit or another problem is revealed by the investigation, the director may recommend that the commissioner:

(1) consider the matter further;

(2) modify or cancel the commissioner's actions;

(3) alter a rule, order, or internal policy;

(4) explain the action more fully; or

(5) take other action.

(c) At the director's request, the commissioner shall, within a reasonable time, inform the director of the actions taken in response to the recommendation or the reasons for not taking action.

Subd. 4. [THIRD-PARTY SERVICES.] At the director's discretion, the office may provide mediation, conciliation, and other third-party services to requesting parties, including local government units, to aid in resolving disputes involving matters relating to natural resources or the environment.

Sec. 4. [INTERGOVERNMENTAL COORDINATION; ADVISORY TASK FORCE; REPORT.]

Subdivision 1. [ADVISORY TASK FORCE.] The director of the office of assistance and public advocacy shall establish an advisory task force to assist in coordinating state and local environmental and natural resource programs and requirements. The membership of the advisory task force must include equal and broad representation of state and local government units. The task force terminates one year after it is established.

Subd. 2. [REPORT.] The advisory task force established under subdivision 1 shall prepare a report that includes recommendations for coordinating, streamlining, and consolidating state and local programs, requirements,

and functions relating to natural resources and the environment. The report must be submitted by one year after the establishment of the task force to the chairs of the legislative committees having jurisdiction over environmental and natural resource issues.

Sec. 5. [TRANSFER OF POWERS AND DUTIES; ABOLITION OF AGENCIES.]

Subdivision 1. [TRANSFER.] The powers and duties of the department of natural resources; the board of water and soil resources, except those transferred to the environmental review board under section 7, subdivision 3; the office of waste management; and the pollution control agency are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039.

Subd. 2. [ABOLITION.] The department of natural resources, the board of water and soil resources, the office of waste management, and the pollution control agency are abolished.

Subd. 3. [PERSONNEL.] Except for positions transferred under section 7, personnel positions in each of the abolished agencies which are in the classified service are continued and are transferred to the department of environmental protection and conservation along with the function transferred. Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, unclassified positions in an abolished agency which are covered by the commissioner's plan established under Minnesota Statutes, section 43A.18, subdivision 2, are abolished. Nothing in this section abrogates or modifies any rights of affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Subd. 4. [REPORTS.] (a) The commissioner of administration shall report to the legislative committees having jurisdiction over environment and natural resources and governmental operations by January 1, 1993, on reorganization strategy, progress, problems, and analyses of potential conflicts and overlapping jurisdiction. The report must include recommendations for an organizational structure for the department of environmental protection and conservation that promotes integrated and balanced resource management and protection.

(b) The commissioner of environmental protection and conservation shall report to the committees in paragraph (a) by January 1, 1994, on the reorganization and any unmet needs or issues requiring legislation.

(c) The commissioner of administration shall report to the divisions of the senate finance and house of representatives appropriation committees having jurisdiction over environment and natural resources by March 1, 1993, on a central building location and employee consolidation for the department of environmental protection and conservation, including regional offices created under section 1, subdivision 2.

Sec. 6. [TRANSFERS FROM OTHER AGENCIES.]

Subdivision 1. [DEPARTMENT OF AGRICULTURE.] The following powers and duties of the department of agriculture are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039:

(1) regulation of fertilizers, soil amendments, agricultural liming, and plant amendments under Minnesota Statutes, chapter 18C;

(2) *pesticide control under Minnesota Statutes, chapter 18B;*

(3) *agriculture chemical incident response and cleanup under Minnesota Statutes, chapter 18D;*

(4) *chemical incident reimbursement under Minnesota Statutes, chapter 18E;*

(5) *urban forest promotion under Minnesota Statutes, section 17.86;*

(6) *mosquito abatement under Minnesota Statutes, sections 18.041 to 18.161; and*

(7) *groundwater protection under Minnesota Statutes, chapter 103H.*

Subd. 2. [DEPARTMENT OF HEALTH.] The following powers and duties of the department of health are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039:

(1) *water well program under Minnesota Statutes, chapter 103I;*

(2) *safe drinking water program under Minnesota Statutes, sections 144.381 to 144.387;*

(3) *health risk assessment under Minnesota Statutes, section 115B.17, subdivision 10;*

(4) *wellhead protection under Minnesota Statutes, sections 144.35 to 144.37;*

(5) *asbestos contractor licensing under Minnesota Statutes, sections 326.70 to 326.83;*

(6) *public health laboratory regulation under Minnesota Statutes, section 144.98;*

(7) *lead abatement under Minnesota Statutes, sections 144.871 to 144.878;*

(8) *hazardous substance exposure under Minnesota Statutes, section 145.94;*

(9) *mosquito research under Minnesota Statutes, section 144.95;*

(10) *water supply monitoring and health assessments under Minnesota Statutes, section 473.845, subdivision 2; and*

(11) *health risk limits under Minnesota Statutes, section 103H.201.*

Subd. 3. [ENVIRONMENTAL QUALITY BOARD.] The following powers and duties of the environmental quality board are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039:

(1) *radioactive waste management under Minnesota Statutes, sections 116C.705 to 116C.852; and*

(2) *genetic engineering under Minnesota Statutes, sections 116C.91 to 116C.96.*

Subd. 4. [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT.] The following powers and duties of the department of trade and economic development are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039:

(1) energy loans under Minnesota Statutes, sections 216C.36 and 216C.37 and

(2) outdoor recreation grants under Minnesota Statutes, section 116J.406.

Subd. 5. [DEPARTMENT OF PUBLIC SERVICE.] The following powers and duties of the department of public service are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039: energy conservation under Minnesota Statutes, sections 216C.01 to 216C.35 and 216C.373 to 216C.381.

Subd. 6. [DEPARTMENT OF TRANSPORTATION.] The following powers and duties of the department of transportation are transferred to the department of environmental protection and conservation under Minnesota Statutes, section 15.039: hazardous waste shipment and licensing under Minnesota Statutes, sections 221.033 to 221.036 and 221.172.

Subd. 7. [PERSONNEL.] Personnel positions in each of the agencies or boards for which powers and duties are transferred under subdivisions 1 to 6, and which are in the classified service, are continued and are transferred to the department of environmental protection and conservation along with the function transferred. Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, unclassified positions for which powers and duties are transferred and which are covered by the commissioner's plan established under Minnesota Statutes, section 43A.18, subdivision 2, are abolished. Nothing in this section abrogates or modifies any rights of affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Sec. 7. [TRANSFER OF POWERS AND DUTIES: ABOLITION OF BOARDS.]

Subdivision 1. [TRANSFER.] The powers and duties of the environmental quality board, except those transferred to the department of environmental protection and conservation under section 6, subdivision 3; the harmful substances compensation board; the petroleum tank release compensation board; and the agricultural chemical response board are transferred to the environmental review board under Minnesota Statutes, section 15.039.

Subd. 2. [ABOLITION.] The environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board are abolished.

Subd. 3. [WATER PROTECTION.] The following powers and duties of the board of water and soil resources are transferred to the board under Minnesota Statutes, section 15.039:

(1) determination of water law and policy under Minnesota Statutes, sections 103A.301 to 103A.341;

(2) review of metropolitan area watershed management plans under Minnesota Statutes, section 103B.231, subdivision 9;

(3) resolution of disputes with respect to comprehensive local water plans under Minnesota Statutes, section 103B.345; and

(4) appeals of watershed district orders under Minnesota Statutes, section 103D.535.

Subd. 4. [PERSONNEL.] Except for positions transferred under sections 5 and 6, personnel positions in the environmental quality board, the board

of water and soil resources, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board for which powers and duties are transferred under subdivisions 1 and 3, and which are in the classified service, are continued and are transferred to the environmental review board along with the function transferred. Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, unclassified positions for which powers and duties are transferred and which are covered by the commissioner's plan established under Minnesota Statutes, section 43A.18, subdivision 2, are abolished. Nothing in this section abrogates or modifies any rights of affected employees under terms of an agreement between an exclusive bargaining representative and the state or one of its appointing authorities.

Sec. 8. [TRANSFER OF POWERS AND DUTIES; PERSONNEL.]

(a) The environmental permit coordination procedures of the department of trade and economic development under Minnesota Statutes, sections 116C.22 to 116C.34, are transferred to the office of assistance and public advocacy.

(b) Personnel positions in the department of trade and economic development for which powers and duties are transferred under paragraph (a), and which are in the classified service, are continued and are transferred to the office of assistance and public advocacy along with the function transferred. Notwithstanding Minnesota Statutes, section 15.039, subdivision 7, positions for which powers and duties are transferred and which are in the unclassified service are abolished.

Sec. 9. [LEGISLATIVE INTENT.]

The legislature intends that this article be implemented in a manner consistent with Minnesota Statutes, sections 116D.01 to 116D.03.

Sec. 10. [GOVERNOR'S BUDGET.]

The governor's budget for the biennium beginning July 1, 1993, must provide for and take into account the reorganization in sections 1 to 3 and 5 to 8, including a reflection of cost savings accomplished by the reorganization.

Sec. 11. [REVISOR'S INSTRUCTION.]

In consultation with legislative staff and affected agencies, the revisor shall prepare a recodification of and amendments to Minnesota Statutes to give effect to sections 1 to 3 and 5 to 8 and present the recodification and amendments to the legislature no later than January 1, 1993.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1993.

ARTICLE 2

Section 1. Minnesota Statutes 1991 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;
Commissioner of education;
Commissioner of environmental protection and conservation;
Commissioner of transportation;
Commissioner of human services;
Commissioner of revenue;
Commissioner of public safety;
Executive director, state board of investment;
Director of the state lottery;

\$50,000-\$67,500

Commissioner of administration;
Commissioner of agriculture;
Commissioner of commerce;
Commissioner of corrections;
Commissioner of jobs and training;
Commissioner of employee relations;
Commissioner of health;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of trade and economic development;
Chief administrative law judge; office of administrative hearings;
Commissioner, pollution control agency;
Director, office of waste management;
Commissioner, housing finance agency;
Executive director, public employees retirement association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;
 Commissioner, department of public service;
 Commissioner of veterans' affairs;
 Commissioner, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Ombudsman for corrections;
 Ombudsman for mental health and retardation.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1993."

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2529, 2069, 2566, 2367, 1558, 1728, 2396, 2282 and 2186 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2142, 980, 1818, 2465, 1744 and 2377 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Morse moved that the name of Mr. Langseth be added as a co-author to S.F. No. 2736. The motion prevailed.

Mrs. Benson, J.E. moved that the name of Mr. Laidig be added as a co-author to S.F. No. 2741. The motion prevailed.

Mr. Stumpf moved that his name be stricken as chief author and the name of Mr. Hottinger be added as chief author to S.F. No. 2551. The motion prevailed.

Mr. Neville moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 2555. The motion prevailed.

Ms. Reichgott moved that the names of Messrs. Kelly and Price be added as co-authors to S.F. No. 1884. The motion prevailed.

Mr. Metzen moved that his name be stricken as a co-author to S.F. No. 1901. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 2648 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Mondale moved that S.F. No. 2136 be withdrawn from the Committee on Transportation, given a second reading and placed on General Orders. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and

Resolutions, the Senate reverted to the Order of Business of Second Reading of Senate Bills.

SECOND READING OF SENATE BILLS

S.F. No. 2136 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Marty moved that S.F. No. 2730 be withdrawn from the Committee on Judiciary and returned to its author. The motion prevailed.

CONSENT CALENDAR

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; 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	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	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.

S.F. No. 2124: A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Merriam	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.	Larson	Pappas	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Hughes	Mehrkens	Price	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1722, 1801, 1729, 2159 and H.F. No. 1862, which the committee recommends to pass.

S.F. No. 512, which the committee reports progress, subject to the following motion:

Mr. Waldorf moved to amend S.F. No. 512 as follows:

Page 4, line 21, delete “*make*” and insert “*adopt*”

Page 4, line 22, after “*rules*” insert “*under chapter 14*” and delete “*The*”

Page 4, delete lines 23 to 25

The motion prevailed. So the amendment was adopted.

S.F. No. 512 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Dicklich introduced—

S.F. No. 2751: A bill for an act relating to taxation; property tax; granting a temporary exemption for certain utility distribution property located in St. Louis, Cook, Itasca, and Lake counties.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Benson, D.D.; McGowan; Neuville; Ms. Johnston and Mr. Halberg introduced—

S.F. No. 2752: A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that

the Federal budget be balanced; or, in the alternative, to call a convention for the sole and exclusive purpose of proposing such an amendment for submission to the States for ratification.

Referred to the Committee on Finance.

Messrs. Mondale, Pogemiller and Dicklich introduced—

S.F. No. 2753: A bill for an act relating to education; permitting students to cast nonbinding votes during a school district primary, general, or special election; proposing coding for new law in Minnesota Statutes, chapter 205A.

Referred to the Committee on Elections and Ethics.

Mses. Pappas and Flynn introduced—

S.F. No. 2754: A resolution memorializing Congress to grant statehood to the District of Columbia.

Referred to the Committee on Veterans and General Legislation.

Mr. Johnson, D.J.; Ms. Reichgott, Messrs. Pogemiller and Frederickson, D.J. introduced—

S.F. No. 2755: A bill for an act relating to taxation; income and franchise; updating references to the Internal Revenue Code; providing for payment of corporate estimated tax; amending Minnesota Statutes 1990, section 289A.26, subdivision 7; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19.

Referred to the Committee on Taxes and Tax Laws.

Ms. Piper introduced—

S.F. No. 2756: A bill for an act relating to the department of jobs and training; establishing standards for supported employment services; requiring cooperation among departments; proposing coding for new law in Minnesota Statutes, chapter 252.

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. 155: Mrs. Brataas, Mr. Novak and Ms. Flynn.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:45 p.m., Friday, March 20, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-FIRST DAY

St. Paul, Minnesota, Friday, March 20, 1992

The Senate met at 12:45 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Pat Piper.

The roll was called, and the following Senators answered to their names:

Adkins	Frank	Laidig	Neuville	Samuelson
Beckman	Frederickson, D.J.	Langseth	Novak	Solon
Belanger	Frederickson, D.R.	Larson	Pappas	Spear
Benson, D.D.	Gustafson	Lessard	Piper	Stumpf
Benson, J.E.	Halberg	Luther	Pogemiller	Terwilliger
Bertram	Hottinger	Marty	Price	Traub
Brataas	Hughes	McGowan	Ranum	Vickerman
Dahl	Johnson, D.J.	Merriam	Reichgott	Waldorf
Davis	Johnson, J.B.	Metzen	Renneke	
Finn	Kelly	Mondale	Riveness	
Flynn	Knaak	Morse	Sams	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Cohen; DeCramer; Dicklich; Moe, R.D. and Ms. Berglin were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

July 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:

MINNESOTA POLLUTION CONTROL AGENCY

Edward A. Garvey, 33 Summit Court, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective June 30, 1991, for a term expiring on the first Monday in January, 1995.

Sandra J. Holm, HC 87 Box 5460, Merrifield, Crow Wing County, Minnesota, has been appointed by me, effective June 30, 1991, for a term expiring on the first Monday in January, 1995.

Russell B. Kirby, Jr., 13270 Fourth Street North, Stillwater, Washington County, Minnesota, has been appointed by me, effective June 30, 1991, for a term expiring on the first Monday in January, 1995.

William A. Urseth, 2028 Kenwood Parkway, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective June 30, 1991, for a term expiring on the first Monday in January, 1992.

(Referred to the Committee on Environment and Natural Resources.)

July 13, 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:

HARMFUL SUBSTANCE COMPENSATION BOARD

Beth A. Baker, 13297 Cardinal Creek Road, Eden Prairie, Hennepin County, Minnesota, has been appointed by me, effective June 29, 1991, for a term expiring on the first Monday in January, 1997.

Mara R. Thompson, 3520 West 32nd Street, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective June 29, 1991, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Judiciary.)

July 16, 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:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Manuel Capiz, Jr., 6825 Cloman Avenue East, Inver Grove Heights, Dakota County, Minnesota, has been appointed by me, effective June 29, 1991,

for a term expiring on the first Monday in January, 1995.

Philip C. Brunelle, 4211 Glencrest Road, Golden Valley, Hennepin County, Minnesota, has been appointed by me, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

Sheila Livingston, 2530 Vale Crest Road, Golden Valley, Hennepin County, Minnesota, has been appointed by me, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

Jean W. Greener, 1018 West Minnehaha Parkway, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective June 29, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Education.)

July 16, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as requested by law:

CHAIR, BOARD OF WATER AND SOIL RESOURCES

D. James Nielsen, 1815 Meadowwoods Trail, Long Lake, Hennepin County, Minnesota, has been appointed by me, effective June 28, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Environment and Natural Resources.)

September 7, 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:

MINNESOTA RACING COMMISSION

Richard L. Pemberton, 701 West Cavour, Fergus Falls, Otter Tail County, Minnesota, has been appointed by me, effective September 10, 1991, for a term expiring on June 30, 1997.

Stephen A. Lawrence, Box 166, Frontenac, Goodhue County, Minnesota, has been appointed by me, effective September 10, 1991, for a term expiring on June 30, 1997.

Mark J. Custer, 809 Sixth Avenue, Howard Lake, Wright County, Minnesota, has been appointed by me, effective September 10, 1991, for a term expiring

on June 30, 1995.

Cynthia Schuneman Piper, 2505 Willow Drive, Hamel, Hennepin County, Minnesota, has been appointed by me, effective September 10, 1991, for a term expiring on June 30, 1997.

(Referred to the Committee on Gaming Regulation.)

September 19, 1991

The Honorable Jerome Hughes
President of the Senate

Dear Sir:

The following appointments are hereby respectfully submitted to the Senate for confirmation as requested by law:

MINNESOTA RURAL FINANCE AUTHORITY

Christopher J. Skaalen, 235 West Center Street, Harmony, Fillmore County, Minnesota, has been appointed by me, effective September 23, 1991, for a term expiring on the first Monday in January, 1993.

Marlene H. Malstrom, South Melissa Drive, Route 5, Box 344, Detroit Lakes, Becker County, Minnesota, has been appointed by me, effective September 23, 1991, for a term expiring on the first Monday in January, 1994.

Curtis C. Pietz, R.R. 3, Box 79, Lakefield, Jackson County, Minnesota, has been appointed by me, effective September 23, 1991, for a term expiring on the first Monday in January, 1995.

(Referred to the Committee on Agriculture and Rural Development.)

January 2, 1992

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:

STATE BOARD FOR COMMUNITY COLLEGES

Margaret Dolan, 5357 Chowen Avenue South, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

February 14, 1992

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:

BOARD OF THE ARTS

M. Judith Schmidt, 305 South Jefferson, Houston, Houston County, Minnesota, has been appointed by me, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Dolly Fiterman, 4637 East Lake Harriet Parkway, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

Teresa K. Parker, Route 1, Box 253, Henning, Otter Tail County, Minnesota, has been appointed by me, effective February 19, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Veterans and General Legislation.)

February 19, 1992

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:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Elaine R. Mathiason, 6308 Waterman, Edina, Hennepin County, Minnesota, has been appointed by me, effective February 24, 1992, for a term expiring on the first Monday in January, 1996.

Dennis E. McNeil, 436 West Luverne Street, Luverne, Rock County, Minnesota, has been appointed by me, effective February 24, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Veterans and General Legislation.)

February 19, 1992

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:

**MINNESOTA WORLD TRADE CENTER CORPORATION
BOARD OF DIRECTORS**

Paul J. Gam, 1672 Chatham Avenue, Arden Hills, Ramsey County, Minnesota, has been appointed by me, effective February 24, 1992, for a term

expiring on the first Monday in January, 1998.

(Referred to the Committee on Economic Development and Housing.)

Warmest regards,
Arne H. Carlson, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 2210: A bill for an act relating to Ramsey county; providing for the certification of eligibles for county positions; amending Minnesota Statutes 1990, section 383A.291, by adding a subdivision.

Senate File No. 2210 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 19, 1992

Mr. Luther moved that S.F. No. 2210 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2451. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2482: A bill for an act relating to watershed districts; providing for their administrative fund levy.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 6, before "*The*" insert "*(a)*"

Page 1, line 15, delete "*103D.901*" and insert "*103D.915*"

Page 1, after line 15, insert:

"(b) The Wild Rice watershed district may levy, for taxes payable in 1993, 1994, 1995, 1996, and 1997, an ad valorem tax not to exceed \$200,000 on property within the district for the administrative fund. The additional \$75,000 above the amount authorized in Minnesota Statutes, section 103D.905, subdivision 3, must be used for costs incurred in connection with cost-sharing projects with the United States Army Corps of Engineers. The board of managers shall make the levy for the administrative fund in accordance with Minnesota Statutes, section 103D.915."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1916: A bill for an act relating to retirement; the Minnesota state retirement system; public employees retirement association; and teachers retirement association; increasing the interest rate on the repayment of refunds and similar transactions; amending Minnesota Statutes 1990, sections 3A.03, subdivision 2; 352.01, subdivision 11; 352.04, subdivision 8; 352.23; 352.27; 352.271; 352B.11, subdivision 4; 352C.051, subdivision 3; 352C.09, subdivision 2; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.28, subdivision 5; 353.35; 353.36, subdivision 2; 354.41, subdivision 9; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; and 490.124, subdivision 12; Minnesota Statutes 1991 Supplement, sections 353.01, subdivision 16; 353.27, subdivisions 12, 12a, and 12b; and 354.094, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 28, strike the second "the" and insert "*an annual*"

Page 2, line 6, strike "the" and insert "*an annual*"

Page 4, line 22, strike "the" and insert "*an annual*"

Page 6, line 8, strike "and" and insert "*of refunds must be paid with interest at six percent compounded annually.*"

Page 6, lines 9 and 27, before "8.5" insert "*an annual rate of*"

Page 7, lines 16 and 31, strike "the" and insert "*an annual*"

Page 8, lines 5, 23, and 36, before "8.5" insert "*an annual rate of*"

Page 9, line 6, strike "the" and insert "*an annual*"

Page 9, line 24, strike "a" and insert "*an annual*"

Page 9, line 35, before "8.5" insert "*an annual rate of*"

Page 10, line 6, before "8.5" insert "*an annual rate of*"

Page 10, line 21, strike "the" and insert "*an annual*"

Page 10, line 29, before "8.5" insert "*an annual rate of*"

Page 11, line 33, strike "the" and insert "*an annual*"

Page 12, line 19, before "8.5" insert "*an annual rate of*"

Page 13, lines 21 and 32, strike "the" and insert "*an annual*"

Page 14, lines 1 and 24, strike "the" and insert "*an annual*"

Page 15, line 2, delete "*the*" and insert "*an annual*"

Page 15, line 9, strike "the" and insert "*an annual*"

Page 15, line 16, strike "a" and insert "*an annual*"

Page 15, lines 29 and 32, before "8.5" insert "*an annual rate of*"

Page 16, line 25, strike "the" and insert "*an annual*"

Page 17, line 28, before "8.5" insert "*interest at an annual rate of*" and strike "interest"

Page 18, line 13, strike the second "the" and insert "*an annual*"

Page 18, line 20, before "8.5" insert "*interest at an annual rate of*" and strike "interest"

Page 19, line 20, strike "the" and insert "*an annual*" and strike "per" and delete "year" and insert "*compounded annually*"

Page 20, line 11, before "8.5" insert "*interest at an annual rate of*" and strike "interest"

Page 20, line 21, strike "the" and insert "*an annual*"

Page 21, line 15, strike "the" and insert "*an annual*"

Page 22, line 12, strike "the" and insert "*an annual*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1139: A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [356.50] [SERVICE AND SALARY CREDIT FROM BACK PAY AWARDS IN THE EVENT OF WRONGFUL DISCHARGE.]

(a) *A person who is wrongfully discharged from public employment that gave rise to coverage by a public employee pension plan listed in section 356.30, subdivision 3, is entitled to obtain allowable service credit from the applicable public employee pension plan for the applicable period caused by the wrongful discharge. A person is wrongfully discharged for purposes of this section if:*

(1) *the person has been determined by a court of competent jurisdiction or an arbitrator in binding arbitration to have been wrongfully discharged from public employment;*

(2) *the person received an award of back pay with respect to that discharge; and*

(3) *the award does not include any amount for any lost or interrupted public pension plan coverage.*

(b) *To obtain the public pension plan allowable service credit, the person shall pay the required member contribution amount. The required member contribution amount is the member contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the unpaid gross salary amounts of the back pay award including unemployment compensation, workers' compensation or wages from other sources which reduced the back award. No contributions shall be made under this clause for compensation covered by a public pension plan listed in section 356.30, subdivision 3, for employment during the removal period. The person shall pay the required member contribution amount within 60 days of the date of receipt of the back pay award, within 60 days of the*

effective date of this section, or within 60 days of a billing from the retirement fund, whichever is later.

(c) The public employer who wrongfully discharged the public employee must pay an employer contribution on the back pay award. The employer contribution must be based on the employer contribution rate or rates in effect for the pension plan during the period of service covered by the back pay award, applied to the salary amount on which the member contribution amount was determined under paragraph (b). Interest on both the required member and employer contribution amount must be paid by the employer at the annual compound rate of 8.5 percent per year, expressed monthly, between the date the contribution amount would have been paid to the date of actual payment. The employer payment must be made within 30 days of the payment under paragraph (b).

Sec. 2. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on the day following final enactment."

Amend the title as follows:

Page 1, line 6, before the period, insert "; repealing Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2156: A bill for an act relating to telecommunications; allowing STARS system services to be resold or subleased to certain nonprofit organizations; amending Minnesota Statutes 1990, section 16B.465, 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. [TELECOMMUNICATIONS STUDY.]

The commissioner of administration shall study the issues associated with providing nonprofit organizations access to the statewide telecommunications access and routing system. The study must:

(1) assess the need for and the public policy issues associated with the expansion of the system's authority to serve nonprofit organizations, including, but not limited to, health care, social service, and educational organizations;

(2) identify issues of private-to-public information transactions and the barriers placed on both the public sector and the private sector if the system is unable to provide the necessary services; and

(3) take into consideration opinions and interests of the organizations and industries affected by a change in law to allow the system to provide

telecommunications to certain nonpublic entities.

The commissioner shall submit the results of the study and any recommendations to the legislature by January 15, 1993.

Sec. 2. [APPROPRIATION.]

\$25,000 is appropriated from the general fund to the commissioner of administration to conduct the study required by section 1."

Delete the title and insert:

"A bill for an act relating to telecommunications; requiring the commissioner of administration to study issues related to expansion of the statewide telecommunications routing system to serve certain nonprofit organizations; appropriating money."

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. 1780: A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 7, before "AUTHORIZATION" insert "ST. PAUL FIRE DEPARTMENT RELIEF ASSOCIATION;"

Page 1, line 9, before "*St. Paul*" insert "*deceased former*"

Page 1, line 12, delete "*his*"

Page 1, line 14, before "*Minnesota*" insert "*any provision of*"

Page 1, line 15, before "*or*" insert "*Laws 1955, chapter 375, section 25, as amended,*"

Page 1, line 16, after "*bylaws*" insert "*to the contrary*" and before "*St. Paul*" insert "*former spouse described in subdivision 1 is entitled, upon application, to surviving spouse benefits from the*" and delete "*shall*"

Page 1, line 17, delete "*pay benefits*"

Page 1, line 18, delete "*to the former spouse described in subdivision 1*"

Page 1, line 19, after "*payable*" insert "*to the surviving spouse*" and delete the comma and insert "*. The application must be filed*"

Page 1, line 20, before "*by*" insert "*and must be executed*"

Page 1, line 22, after "DATE" insert "; LOCAL APPROVAL"

Page 1, line 23, delete everything after "*effective*" and insert "*upon approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021, subdivision 3.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2006: A bill for an act relating to criminal justice; creating a commission on criminal and juvenile justice information; creating a partnership council on criminal and juvenile justice information to advise and assist the commission; prescribing duties; requiring fingerprints and thumbprints of inmates, parolees, and probationers received from other states; allowing photographs to be taken of juveniles in custody; creating a criminal justice data practices study commission; creating an advisory task force on the juvenile justice system; establishing a probation standards task force; appropriating money; amending Minnesota Statutes 1990, sections 171.07, subdivision 1a; and 260.185, subdivision 1; Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 241; and 609; proposing coding for new law as Minnesota Statutes, chapter 13C.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 4, delete sections 1 and 2

Page 10, delete section 8 and insert:

“Sec. 6. [DATA PRACTICES RECOMMENDATIONS.]

The commissioners of administration, public safety, human services, health, corrections, and education shall make recommendations regarding the exchange of data among law enforcement agencies, local social service agencies, schools, the courts, court service agencies, and correctional agencies. The commissioners shall develop their recommendations in consultation with local public social service agencies, police departments, sheriffs' offices, and court services departments. The commissioners shall review data practices laws and rules and shall determine whether there are changes in statute or rule required to enhance the functioning of the criminal justice system. The commissioners shall consider the impact of any proposed recommendations on individual privacy rights. The commissioners shall submit a written report to the governor and the legislature not later than February 1, 1993.”

Page 10, line 33, delete “CREATION;”

Page 11, delete lines 2 to 6 and insert:

“(2) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration;”

Page 11, delete lines 10 to 13 and insert:

“(5) one county attorney who is responsible for juvenile court matters, appointed by the Minnesota county attorneys association;”

Page 11, delete lines 17 to 21 and insert:

*“(7) the commissioner of human services;
(8) the commissioner of corrections; and”*

Page 11, delete lines 24 to 27 and insert:

“Subd. 2. [SELECTION OF CHAIR.] The task force shall select a chair from among its membership other than the members appointed under subdivision 1, clause (2).”

Page 11, delete lines 31 and 32

Page 12, line 11, after the period, insert *“The task force expires upon submission of its report.”*

Renumber the subdivisions in sequence

Page 12, line 19, delete *“a chair”* and insert *“co-chairs”*

Page 12, line 20, after the period, insert *“One co-chair must be a probation officer or county official from a community corrections act county, and the other co-chair must be a member of the Minnesota association of county probation officers.”*

Pages 12 and 13, delete section 11 and insert:

“Sec. 9. [STUDY OF CRIMINAL AND JUVENILE JUSTICE INFORMATION.]

The chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator shall study and make recommendations to the governor and the legislature:

- (1) on a framework for integrated criminal justice information systems;*
- (2) on the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;*
- (3) to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;*
- (4) on an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;*
- (5) on an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;*
- (6) on comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;*
- (7) on continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;*
- (8) on a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems; and*
- (9) on the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems.*

The chair, the commissioners, and the administrator shall file a report with the governor and the legislature by January 15, 1993. The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems

operate accurately and efficiently. To assist them in developing their recommendations, the chair, the commissioners, and the administrator shall appoint a task force consisting of the members of the commission on criminal and juvenile justice information or their designees and the following additional members:

- (1) the director of the office of strategic and long-range planning;*
- (2) two sheriffs recommended by the Minnesota sheriffs association;*
- (3) two police chiefs recommended by the Minnesota chiefs of police association;*
- (4) two county attorneys recommended by the Minnesota county attorneys association;*
- (5) two city attorneys recommended by the Minnesota league of cities;*
- (6) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;*
- (7) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;*
- (8) two probation officers; and*
- (9) two citizens.*

The task force expires upon submission of the report by the chair, the commissioners, and the administrator."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "creating a commission" and insert "requiring recommendations"

Page 1, delete lines 4 and 5 and insert "task force to assist in developing the recommendations;"

Page 1, line 6, delete "prescribing duties;"

Page 1, line 9, delete "creating" and insert "requiring"

Page 1, line 10, delete "commission"

Page 1, line 13, delete "appropriating money;"

Page 1, line 17, delete the second semicolon and insert a period

Page 1, delete lines 18 and 19

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. 1230: A bill for an act relating to retirement; volunteer firefighters; qualifying service; computation and proration of service pensions; amending Minnesota Statutes 1990, sections 424A.001, subdivision 4; and 424A.02, subdivisions 1, 3, 6, and 7.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

VOLUNTEER FIRE BENEFIT CHANGES

Section 1. [69.032] [MAXIMUM FIRE STATE AID; ALLOCATION OF AID IN EXCESS OF MAXIMUM.]

(a) Notwithstanding any provision of section 69.031 to the contrary, no municipality associated with a volunteer firefighters relief association that pays a service pension other than a defined contribution service pension or independent nonprofit firefighting corporation may receive fire state aid in excess of the maximum set forth in paragraph (b).

(b) The maximum fire state aid is an amount equal to 200 percent of the amount that would be the minimum municipal obligation of the municipality or nonprofit firefighting corporation under the applicable provisions of sections 69.771 to 69.775, if the municipality or nonprofit firefighting corporation received no fire state aid, as reflected in the reporting provided to the state auditor under sections 69.011 and 69.051.

(c) The commissioner of revenue shall deduct the amount of the calculated fire state aid apportionment in excess of the maximum specified in paragraph (b) from the calculated apportionment to determine the amount of fire state aid payable to qualifying municipalities and independent nonprofit firefighting corporations. The remaining apportionment amount in excess of the maximum must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment.

Sec. 2. Minnesota Statutes 1990, section 424A.02, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] A relief association, when its articles of incorporation or bylaws so provide, may pay out of the assets of its special fund a service pension to each of its members who: (1) separates from active service with the fire department; (2) reaches age 50; (3) completes at least five years of active service as an active member of the municipal fire department to which the relief association is associated; (4) completes at least five years of active membership with the relief association before separation from active service; and (5) complies with any additional conditions as to age, service, and membership that are prescribed by the bylaws of the relief association. *A service pension computed under this section, if the bylaws or articles of incorporation of the relief association so provide, may be prorated monthly for fractional years of service.* The service pension may be paid whether or not the municipality or nonprofit firefighting corporation to which the relief association is associated qualifies for fire state aid under chapter 69. In the case of a member who has completed at least five years of active service as an active member of the fire department to which the relief association is associated on the date that the relief association is established and incorporated, the requirement that the member complete at least five years of active membership with the relief association before separation from active service may be waived by the board of trustees of the relief association if the member completes at least five years of inactive membership with the relief association before the payment of the service pension. During the period of inactive membership, the member is not entitled to receive disability benefit coverage, is not entitled to receive

additional service credit towards computation of a service pension, and is considered to have the status of a person entitled to a deferred service pension under subdivision 7.

No municipality or nonprofit firefighting corporation may delegate the power to take final action in setting a service pension or ancillary benefit amount or level to the board of trustees of the relief association or to approve in advance a service pension or ancillary benefit amount or level equal to the maximum amount or level that this chapter would allow rather than a specific dollar amount or level.

No relief association as defined in section 424A.001, subdivision 4, may pay a service pension or disability benefit to a former member of the relief association if that person has not separated from active service with the fire department to which the relief association is directly associated.

For the purposes of this chapter, "to separate from active service" means to cease to perform fire suppression duties and to cease to supervise fire suppression duties.

Sec. 3. Minnesota Statutes 1990, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] (a) On or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to section 69.772, subdivision 4, or 69.773, subdivision 5, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated pursuant to sections 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any.

(b) The maximum service pension which the relief association ~~may~~ has authority to provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met ~~shall~~ must be determined using the applicable following table in paragraph (c) or (d), whichever applies.

(c) For a relief association where the governing bylaws provide for a monthly service pension to a retiring member, ~~if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then~~ the maximum monthly service pension amount per month for each year of service credited ~~which that~~ may be provided for in the bylaws ~~shall be the greater of: (1) the service pension amount provided for in the bylaws on the date of calculation; or (2) is~~ the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of
Available Financing per
Firefighter

Maximum Service Pension
Amount Payable per Month
for Each Year of Service

\$. . .	\$.25
37	.50
75	1.00
112	1.50
149	2.00
186	2.50
224	3.00
261	3.50
298	4.00
336	4.50
373	5.00
447	6.00
522	7.00
597	8.00
671	9.00
746	10.00
820	11.00
895	12.00
969	13.00
1044	14.00
1119	15.00
1193	16.00
1268	17.00
1342	18.00
1417	19.00
1491	20.00
1566	21.00
1640	22.00
1678	22.50
1715	23.00
1790	24.00
1865	25.00
1940	26.00
2015	27.00
2090	28.00
2165	29.00
2240 or more	30.00
any amount more than 2240	30.00

(d) For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum lump sum service pension amount for each year of service credited which that may be provided for in the bylaws shall be the greater of: (1) the service pension amount provided for in the bylaws on the date of the calculation; or (2) is the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter for the applicable specified period:

Minimum Average Amount of Available Financing per Firefighter	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service
---	--

(1) for service pensions payable before January 1, 1993:

\$. . .	\$ 10
10	20

14	30
20	40
24	50
28	60
38	80
48	100
58	120
68	140
76	160
86	180
96	200
116	240
134	280
154	320
172	360
192	400
212	440
230	480
250	520
268	560
288	600
308	640
326	680
346	720
364	760
384	800
432	900
480	1000
528	1100
576	1200
624	1300
672	1400
720	1500
768	1600
816	1700
864	1800
912	1900
960	2000
1008	2100
1056	2200
1104	2300
1152	2400
1200	2500
1248	2600
1296	2700
1344	2800
1392	2900
1440 <i>or more</i>	3000
<i>any amount more than 1440</i>	3000

(2) in addition to the service pension maximum under clause (1), for service pensions payable after December 31, 1992, and before January 1, 1994:

1486	3100
1534	3200

1558	3250
any amount more than 1558	3250

(3) in addition to the service pension maximum under clauses (1) and (2), for service pensions payable after December 31, 1993, and before January 1, 1995:

1582	3300
1630	3400
1678	3500
any amount more than 1678	3500

(4) in addition to the service pension maximum under clauses (1), (2), and (3), for service pensions payable after December 31, 1994, and before January 1, 1996:

1726	3600
1774	3700
1798	3750
any amount more than 1798	3750

(5) in addition to the service pension maximum under clauses (1), (2), (3), and (4), for service pensions payable after December 31, 1995:

1822	3800
1870	3900
1918	4000
any amount more than 1918	4000

(e) For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension at the option of the retiring member, the maximum service pension amount shall for each pension payment type must be determined using the applicable table contained in this subdivision.

(f) If a relief association establishes a service pension in compliance with the applicable maximum contained in paragraph (c) or (d) and the minimum average amount of available financing per active covered firefighter is subsequently reduced by virtue of a reduction in fire state aid or by virtue of an increase in the number of active firefighters, the relief association may continue to provide the prior service pension amount specified in its bylaws, but may not increase the service pension amount until the minimum average amount of available financing per firefighter under the table in paragraph (c) or (d), whichever applies, permits.

(g) No relief association is authorized to provide a service pension in an amount greater than \$30 per month per year of service credit or \$3,000 lump sum per year of service credit before January 1, 1993, \$3,250 lump sum per year of service credit before January 1, 1994, \$3,500 lump sum per year of service credit before January 1, 1995, \$3,750 lump sum per year of service credit before January 1, 1996, and \$4,000 lump sum per year of service credit after December 31, 1995, even if the minimum average amount of available financing per firefighter for a relief association providing a monthly benefit service pension is greater than \$2,240, or for a relief association providing a lump sum service pension, is greater than \$1,440 before January 1, 1993, \$1,558 before January 1, 1994, \$1,678 before January 1, 1995, \$1,798 before January 1, 1996, or \$1,918 after December 31, 1995.

Sec. 4. Minnesota Statutes 1990, section 424A.02, is amended by adding

a subdivision to read:

Subd. 3a. [PENALTY FOR PAYING PENSION GREATER THAN APPLICABLE MAXIMUM.] (a) If a relief association pays a service pension greater than the maximum service pension associated with the applicable average amount of available financing per active covered firefighter under the table in subdivision 3, paragraph (c) or (d), whichever applies, the maximum service pension under subdivision 3, paragraph (f), or the applicable maximum service pension amount specified in subdivision 3, paragraph (g), whichever is less, the state auditor shall:

(1) disqualify the municipality or the nonprofit firefighting corporation associated with the relief association from receiving fire state aid by making the appropriate notification to the municipality and the commissioner of revenue, with the disqualification applicable for the next five apportionments and payments of fire state aid; and

(2) recover the amount of the overpaid service pension or pensions from any retired firefighter who received an overpayment.

(b) Fire state aid amounts from disqualified municipalities for the five-year period of disqualifications under paragraph (a), clause (1), cancel to the state general fund.

(c) The amount of any overpaid service pension recovered under paragraph (a), clause (2), cancels to the state general fund.

(d) The determination of the state auditor that a relief association has paid a service pension greater than the applicable maximum must be made on the basis of the information filed by the relief association and the municipality with the state auditor under sections 69.011, subdivision 2, and 69.051, subdivision 1 or 1a, whichever applies, and any other relevant information that comes to the attention of the state auditor. The determination of the state auditor is final. An aggrieved municipality, relief association, or person may appeal the determination under section 480A.06.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1994. Sections 2 to 4 are effective the day following final enactment.

ARTICLE 2

VOLUNTEER FIRE INVESTMENT PERFORMANCE REPORTING

Section 1. Minnesota Statutes 1990, section 11A.04, is amended to read:

11A.04 [DUTIES AND POWERS.]

The state board shall:

(1) Act as trustees for each fund for which it invests or manages money in accordance with the standard of care set forth in section 11A.09 if state assets are involved and in accordance with chapter 356A if pension assets are involved.

(2) Formulate policies and procedures deemed necessary and appropriate to carry out its functions. Procedures adopted by the board must allow fund beneficiaries and members of the public to become informed of proposed board actions. Procedures and policies of the board are not subject to the administrative procedure act.

(3) Employ an executive director as provided in section 11A.07.

- (4) Employ investment advisors and consultants as it deems necessary.
- (5) Prescribe policies concerning personal investments of all employees of the board to prevent conflicts of interest.
- (6) Maintain a record of its proceedings.
- (7) As it deems necessary, establish advisory committees subject to section 15.059 to assist the board in carrying out its duties.
- (8) Not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.
- (9) Direct the state treasurer to sell property other than money that has escheated to the state when the board determines that sale of the property is in the best interest of the state. Escheated property must be sold to the highest bidder in the manner and upon terms and conditions prescribed by the board.
- (10) Undertake any other activities necessary to implement the duties and powers set forth in this section.
- (11) Establish a formula or formulas to measure management performance and return on investment. *Except as provided by section 356.218*, public pension funds in the state shall utilize the formula or formulas developed by the state board.
- (12) Except as otherwise provided in article XI, section 8, of the constitution of the state of Minnesota, employ, at its discretion, qualified private firms to invest and manage the assets of funds over which the state board has investment management responsibility. There is annually appropriated to the state board, from the assets of the funds for which the state board utilizes a private investment manager, sums sufficient to pay the costs of employing private firms. Each year, by January 15, the board shall report to the governor and legislature on the cost and the investment performance of each investment manager employed by the board.
- (13) Adopt an investment policy statement that includes investment objectives, asset allocation, and the investment management structure for the retirement fund assets under its control. The statement may be revised at the discretion of the state board. The state board shall seek the advice of the council regarding its investment policy statement. Adoption of the statement is not subject to chapter 14.

Sec. 2. Minnesota Statutes 1990, section 356.218, subdivision 2, is amended to read:

Subd. 2. [COVERED PUBLIC PENSION PLANS.] The provisions of this section apply to any Minnesota public pension plan, including a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.775, that has assets with a book value of at least \$500,000 as of the end of the preceding plan year. *A volunteer firefighters relief association governed by sections 69.771 to 69.775, that has assets with a book value of at least \$500,000 but less than or equal to \$2,000,000 as of the end of the preceding plan year, shall utilize the formula identified in subdivision 3, paragraph (b), clause (1), or the formula described in subdivision 3, paragraph (b), clause (2), as the relief association elects. Other covered public pension plans shall utilize the formula identified in subdivision 3, paragraph (b), clause (1).*

Sec. 3. Minnesota Statutes 1990, section 356.218, subdivision 3, is

amended to read:

Subd. 3. [CONTENTS OF THE INVESTMENT PERFORMANCE REPORT.] (a) The investment performance report required by this section must contain the time-weighted total rate of return results for each quarter and annually for each significant asset class or type of investment and for the portfolio as a whole.

(b) The time-weighted rate of return results must be computed using market values and the *applicable procedure, as follows:*

(1) *the formula or formulas prescribed by the state board of investment under section 11A.04, clause (11); or*

(2) *by dividing the total investment gain or loss for the quarter by average assets for the quarter, where:*

(i) *the total investment gain or loss for the quarter is computed by subtracting the beginning market value for the quarter and the net contributions for the quarter from the ending market value for the quarter;*

(ii) *the measure of average assets to be used is the beginning market value for the quarter plus one-half the net contributions for the quarter; and*

(iii) *the resulting quarterly returns for each significant asset class and for the portfolio as a whole must be used to create annual time-weighted returns according to the same procedures for developing annual time-weighted returns from quarterly returns, as used in the formula specified by the state board of investment under section 11A.04, clause (11).*

(c) The person performing the calculations shall certify conformance to ~~that formula or those formulas~~ *the applicable procedure.*

(d) The investment performance report may also include any additional investment performance or investment related information that the chief administrative officer considers necessary to provide an adequate summary of the performance of the portfolio. The additional information must be clearly indicated as a supplement to the information required by this subdivision.

(e) The executive director of the legislative commission on pensions and retirement shall prescribe the forms on which the report must be submitted and may prescribe other directions for submitting the report.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1992.

ARTICLE 3

LOCAL VOLUNTEER FIRE RELIEF ASSOCIATION PROVISIONS

Section 1. Laws 1971, chapter 140, section 5, as amended by Laws 1973, chapter 30, section 5, is amended to read:

Sec. 5. [GOLDEN VALLEY VOLUNTEER FIREFIGHTERS RELIEF ASSOCIATION; FUNERAL BENEFIT COVERAGE.]

Subdivision 1. [BENEFIT AUTHORIZATION.] Notwithstanding any provision of law to the contrary, the bylaws of the firemen's volunteer firefighters relief association in the village city of Golden Valley may provide for a funeral benefit not to exceed \$1,500 in case of death of a retired, disabled,

or active ~~fireman~~ firefighter. The amount of the funeral benefit payable on account of any deceased active, disabled, or retired firefighter may not exceed \$1,500.

Provided further, in the case of a member receiving an early retirement service pension or an early retirement service transfer pension *under section 1, subdivision 2 or 3*, and who ~~has been~~ had credit for a period as a member of the association for a period of not less than five years, the funeral benefit ~~shall be in the~~ is an amount of \$100 for each year of service exceeding five and with a maximum benefit of \$1,500.

Subd. 2. [ADDITIONAL FUNDING REQUIREMENT FOR FUNERAL BENEFIT COVERAGE.] In addition to the determination of the accrued liability of the relief association under Minnesota Statutes, section 69.772, subdivision 2, the officers of the relief association shall determine an additional accrued liability for the funeral benefit coverage under subdivision 1. The additional accrued liability is an amount equal to ten percent of the accrued liability determined under Minnesota Statutes, section 69.772, subdivision 2. In calculating the financial requirements of the relief association and the minimum obligation of the municipality under Minnesota Statutes, section 69.772, subdivision 3, the additional accrued liability for this benefit coverage must be added to the results determined under Minnesota Statutes, section 69.772, subdivisions 2 and 2a.

Sec. 2. [RATIFICATION OF PRIOR FUNERAL BENEFIT PAYMENTS.]

Any funeral benefit payment made between March 27, 1973, and the effective date of this section, that was in conformance with the bylaws of the Golden Valley volunteer firefighters relief association at the time of the payment, but that was in excess of the amount authorized under Laws 1973, chapter 30, section 5, before this amendment is hereby ratified.

Sec. 3. [EFFECTIVE DATE; LOCAL APPROVAL.]

Sections 1 and 2 are effective upon approval by the governing body of the city of Golden Valley and upon compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to retirement; volunteer firefighters relief associations; increasing service pension maximums; establishing a fire state aid maximum apportionment; providing penalties for noncompliance with service pension maximums; specifying duties for the state auditor; modifying certain investment performance calculations; modifying certain local volunteer firefighters relief association provisions; amending Minnesota Statutes 1990, sections 11A.04; 356.218, subdivisions 2 and 3; and 424A.02, subdivisions 1, 3, and by adding a subdivision; Laws 1971, chapter 140, section 5, as amended; proposing coding for new law in Minnesota Statutes, chapter 69."

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. 2437: A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle

is sold; amending Minnesota Statutes 1990, section 514.20.

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. 1938: A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2309: A bill for an act relating to probate; altering the definition of successors; amending Minnesota Statutes 1990, sections 353A.02, subdivision 21; 524.1-201; 524.3-303; and 524.3-308.

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. 738: A bill for an act relating to public safety; requiring registration and payment of an annual fee to transport hazardous materials; authorizing the commissioner of transportation to adopt rules; requiring the commissioner of public safety to implement a state hazardous materials incident response plan; creating the hazardous materials incident response account and distributing money to the account; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 221; 299A; and 299K.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2408: A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, after "*purposes*" insert "*, provided that the owner or lessee complies with the inspection requirements contained in section 183.42*"

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. 2692: A bill for an act relating to energy; requiring energy providers to solicit contributions from customers for fuel funds that distribute emergency energy assistance to low-income households; establishing a statewide fuel fund in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [268.371] [EMERGENCY ENERGY ASSISTANCE; FUEL FUNDS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to this section.

(a) “Commissioner” means the commissioner of the department of jobs and training.

(b) “Energy provider” means a person who provides heating fuel, including natural gas, electricity, fuel oil, propane, wood, or other form of heating fuel, to residences at retail.

(c) “Fuel fund” means a fund established by an energy provider, the state, or any other entity that collects and distributes funds for low-income emergency energy assistance and meets the minimum criteria, including income eligibility criteria, for receiving funds from the federal Low-Income Home Energy Assistance Program and the program’s Incentive Fund for Leveraging Non-Federal Resources.

Subd. 2. [ENERGY PROVIDERS; REQUIREMENT.] Each energy provider may solicit contributions from its energy customers for deposit in a fuel fund established by the energy provider, a fuel fund established by another energy provider or other entity, or the statewide fuel fund established in subdivision 3, for the purpose of providing emergency energy assistance to low-income households that qualify under the federal eligibility criteria of the federal Low-Income Home Energy Assistance Program. Solicitation of funds from customers may be made at least annually and may provide each customer an opportunity to contribute as part of payment of bills for provision of service or provide an alternate, convenient way for customers to contribute.

Subd. 3. [STATEWIDE FUEL FUND; APPROPRIATION.] The commissioner shall establish a statewide fuel fund. The commissioner may develop and implement a program to solicit funds, manage the funds, and distribute emergency energy assistance to low-income households, as defined in the federal Low-Income Home Energy Assistance Program, on a statewide basis. All funds remitted to the commissioner for deposit in the statewide fuel fund are appropriated to the commissioner for the purpose of developing and implementing the program. No more than ten percent of the funds received in the first two years of the program may be used for the administrative expenses of the commissioner to implement the program and no more than five percent of the funds received in any subsequent year may be used for administration of the program.

Subd. 4. [EMERGENCY ENERGY ASSISTANCE POLICY COUNCIL.]

The commissioner shall appoint a policy council to advise the commissioner on implementation of this section. At least one-third of the policy council must be composed of persons from households that are eligible for emergency energy assistance under the federal Low-Income Home Energy Assistance Program. The remaining two-thirds of the policy council must be composed of persons representing energy providers, customers, local energy assistance providers, existing fuel fund delivery agencies, and community action agencies. Members of the policy council may receive expenses, but no other compensation, as provided in section 15.059, subdivision 3. Appointment and removal of members is governed by section 15.059. The policy council expires on June 30, 1998."

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "providing that" and delete the second "to" and insert "may"

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 2031: A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 30, before the period, insert "*, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment*"

Pages 3 and 4, delete sections 2 and 3 and insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, 9, ~~and~~ 11, ~~and~~ 12 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 platted property is platted shall be taken into account.~~ ~~An individual lot of such platted property shall be assessed at its market value beginning with the first assessment following final approval of the plat assessed as provided in subdivision 12.~~ 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. 3. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 12. [VALUATION OF VACANT PLATTED LAND.] All land platted on or after August 1, 1991, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. The assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land in establishing the market value of the property. The land shall not be eligible for revaluation until:

- (1) construction has begun on the platted lot; or*
- (2) one year has passed after recording of the plat, whichever is shorter.*

Sec. 4. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 33, is amended to read:

Subd. 33. [UNIMPROVED PROPERTY.] Real property that is not improved with a structure and that is not used as part of a *an agricultural, commercial, or industrial activity* must be classified and assessed according to its highest and best use permitted under the local zoning ordinance. If the ordinance permits more than one use, the land must be classified and assessed according to the highest and best use permitted under the ordinance. If no such ordinance exists, the assessor shall consider the most likely potential use of the vacant land based upon the use made of surrounding land or land in proximity to the vacant land.

Sec. 5. [VACANT LAND PLATTED BEFORE AUGUST 1, 1991.]

All land platted before August 1, 1991, and not improved with a structure shall be assessed as provided in this section. 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 part of which is located on the lot, or for a period of three years after final approval of the plat, whichever is shorter. When a lot is sold or construction begun, that lot shall be eligible for revaluation.

Sec. 6. [EFFECTIVE DATE.]

Sections 1, 2, and 5 are effective the day following final enactment. Sections 3 and 4 are effective for assessments in 1992 and thereafter."

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections" and after the semicolon, insert "and 273.11, by adding a subdivision;"

Page 1, line 7, delete "section" and insert "sections" and before the period, insert "; and 273.13, subdivision 33"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 1648: A bill for an act relating to the agricultural economy; authorizing certain obligations to assist in the use of agricultural industrial facilities in the city of Detroit Lakes; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Solon from the Committee on Commerce, to which was re-referred

S.F. No. 430: A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; amending Minnesota Statutes 1991 Supplement, section 69.021, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 60A.

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. 2062: A bill for an act relating to railroads; providing for reimbursement of expenses for maintaining signals and other safety devices at crossings; requiring commissioner of transportation to identify areas where insufficient rail service is detrimental to efficient transportation; removing restrictions on grants for rail rehabilitation projects; appropriating money; amending Minnesota Statutes 1990, section 222.50, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 219.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [BOND SALE AUTHORIZED.]

The commissioner of finance, on request of the governor, shall sell and issue bonds of the state in the amount of \$2,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be deposited in the special revenue fund and credited to the rail service improvement account established under Minnesota Statutes, section 222.49."

Delete the title and insert:

“A bill for an act relating to railroads; authorizing the issuance of \$2,000,000 in state bonds and crediting the proceeds to the rail service improvement account.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1778: A resolution memorializing Congress to refrain from imposing upon the states' constitutional authority to regulate traffic and motor vehicle safety within their respective boundaries, and specifically, to refrain from mandating the passage of state laws requiring the use of motorcycle helmets, safety belts, and child restraint systems.

Reports the same back with the recommendation that the resolution do pass. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 1833: A bill for an act relating to traffic regulations; permitting certain cities to provide for volunteer enforcement of certain regulations; amending Minnesota Statutes 1990, section 169.346, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

H.F. No. 2397: A bill for an act relating to pipelines; regulating liquefied natural gas facilities; amending Minnesota Statutes 1990, sections 299J.02, subdivisions 12, 13, and by adding subdivisions; 299J.04; 299J.07, subdivision 1; 299J.10; 299J.12, subdivisions 2 and 3; and 299J.15.

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. 1881: A bill for an act relating to highways; providing for resolution of local disapproval of certain county state-aid highway actions; providing that part of county state-aid highway fund be apportioned on basis of lane-miles; changing composition of county state-aid screening board; making technical changes; amending Minnesota Statutes 1990, sections 160.02, by adding a subdivision; 162.02, subdivisions 8, 10, and by adding a subdivision; 162.07, subdivisions 1, 5, and 6; and 162.155.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 2057: A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 2451: A bill for an act relating to Dakota county; providing financing for planning activities for the international airport or other transportation; authorizing a regional railroad authority to transfer light rail 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. [DAKOTA COUNTY; TRANSPORTATION PLANNING.]

Notwithstanding any law to the contrary, the Dakota county regional railroad authority may transfer any available money of the authority, including money in capital accounts, to Dakota county to be expended to meet other transportation studies. The department of transportation may amend any contract with Dakota county providing funds for light rail transit purposes under Laws 1989, chapter 269, section 2, subdivision 3, to allow the county to use the funds for purposes consistent with this section.

Sec. 2. [EFFECTIVE DATE.]

This act takes effect on the day following final enactment.”

Delete the title and insert:

“A bill for an act relating to Dakota county; providing financing for transportation planning activities; authorizing a regional railroad authority to transfer light rail money.”

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2321: A bill for an act relating to agriculture; modifying license fees for certain food handlers; amending Minnesota Statutes 1991 Supplement, section 28A.08.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, after line 23, insert:

"Sec. 2. Minnesota Statutes 1990, section 28A.15, subdivision 7, is amended to read:

Subd. 7. Persons whose principal business is not food handling but who sell only ice manufactured and prepackaged by another or such nonperishable items as bottled or canned soft drinks ~~and~~, prepackaged confections *or nuts* at retail, or persons who for their own convenience or the convenience of their employees have available for rehydration and consumption on the premises such nonperishable items as dehydrated coffee, soup, hot chocolate or other dehydrated food or beverage.

Sec. 3. Minnesota Statutes 1990, section 28A.15, subdivision 8, is amended to read:

Subd. 8. A licensed pharmacy selling only food additives, food supplements, canned or prepackaged infant formulae, ice manufactured and packaged by another, or such nonperishable food items as bottled or canned soft drinks and prepackaged confections *or nuts* at retail."

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1990, section 28A.15, subdivisions 7 and 8;"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2640: A bill for an act relating to agriculture; providing assistance to legal challenges of certain aspects of the federal milk marketing order system; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 14, delete "*of other funds available*"

Page 1, line 15, delete everything before the period and insert "*the dairy industry unfair trade practices account established under Minnesota Statutes, section 32A.05, subdivision 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. 2744 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.
		2744	2566		

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. 1878: A bill for an act relating to workers' compensation; regulating insurance; regulating the assigned risk plan; creating a health and safety fund; providing for fraud prevention; requiring the department to assist employees; providing for accident prevention and injury reduction; eliminating subsequent injury registration and reimbursement; appropriating money; amending Minnesota Statutes 1990, sections 79.251, by adding subdivisions; 79.252, subdivisions 1 and 3; 176.102, subdivision 3a; 176.103, subdivision 3; 176.106, subdivision 6; 176.129, subdivision 10; 176.130, subdivisions 8 and 9; 176.138; 176.139, subdivision 2; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivision 5a; 176.194, subdivisions 4 and 5; 176.221, subdivisions 3 and 3a; 176.231, subdivision 10; 176.261; 176.84, subdivision 2; 176A.03, by adding a subdivision; and 182.666, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1990, section 176.131.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for March 18, 1992, 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 Rule 35, together with the committee report thereon,

S.F. No. 2430: A bill for an act relating to the environment; providing that the pollution control agency adopt rules with respect to competence and fees of underground tank installers; amending Minnesota Statutes 1990, section 116.491, subdivision 3.

Reports the same back with the recommendation that the report from the Committee on Environment and Natural Resources, shown in the Journal for March 18, 1992, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2694: A bill for an act relating to courts; authorizing issuance of bonds to finance the construction of centrally located suburban Ramsey county court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185; proposing coding for new law in Minnesota Statutes, chapter 488A.

Reports the same back with the recommendation that the report from the Committee on Local Government, shown in the Journal for March 18, 1992,

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. 2534: A bill for an act relating to human services; revising conditions covered under Minnesota family investment plan; expanding persons considered when determining family income; delaying the date of implementation for field trials of Minnesota family investment plan; amending Minnesota Statutes 1991 Supplement, sections 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; and 256.0361, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Health and Human Services, shown in the Journal for March 19, 1992, be amended to read:

“the bill do pass and be re-referred to the Committee on Finance”. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1916, 1139, 1780, 1230, 2437, 1938, 2309, 2408, 430, 1778, 2057, 2430 and 2694 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2031, 1833, 2397 and 2744 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Metzen, Novak, Frank, Ms. Olson and Mr. Halberg introduced—

S.F. No. 2757: A bill for an act relating to taxation; property; providing for valuation of manufactured home parks; amending Minnesota Statutes 1990, sections 273.11, by adding a subdivision; and 273.124, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 276.04, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mr. Mehrkens introduced—

S.F. No. 2758: A bill for an act relating to taxation; requiring the commissioner of revenue to send corrected notices of income tax refunds; proposing coding for new law in Minnesota Statutes, chapter 289A.

Referred to the Committee on Taxes and Tax Laws.

Mr. Stumpf introduced—

S.F. No. 2759: A bill for an act relating to the city of Thief River Falls; permitting a local sales tax.

Referred to the Committee on Taxes and Tax Laws.

Mr. Frederickson, D.J. introduced—

S.F. No. 2760: A bill for an act relating to the city of Redwood Falls; requiring the commissioner of finance to refund an industrial revenue bond application fee; appropriating money.

Referred to the Committee on Finance.

Messrs. Pogemiller; Johnson, D.J.; Ms. Traub, Messrs. Morse and Riveness introduced—

S.F. No. 2761: A bill for an act relating to state government; providing that the attorney general may adopt procedures to collect state debts and obligations; establishing a revolving fund for collections; proposing coding for new law in Minnesota Statutes, chapter 8.

Referred to the Committee on Governmental Operations.

Messrs. Frederickson, D.J.; Berg; Vickerman and Bertram introduced—

S.F. No. 2762: A bill for an act relating to armories; providing for the transfer of closed armories to municipalities and counties; providing planning and construction grants for reusing transferred armories; releasing municipalities and counties that acquire armories from certain liabilities; appropriating money.

Referred to the Committee on Finance.

Messrs. Price, Morse, Novak, Bernhagen and Frederickson, D.J. introduced—

S.F. No. 2763: A bill for an act relating to taxation; property; authorizing counties to levy amounts for soil and water conservation district programs; amending Minnesota Statutes 1990, sections 103B.241; 103B.255, by adding a subdivision; and 103B.335; Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2764: A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain employee of independent school district No. 197.

Referred to the Committee on Governmental Operations.

Mr. Kelly introduced—

S.F. No. 2765: A bill for an act relating to taxation; property; providing a credit for certain property assessed at a value greater than its sale price; proposing coding for new law in Minnesota Statutes, chapter 273.

Referred to the Committee on Taxes and Tax Laws.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 2:30 p. m., Monday, March 23, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-SECOND DAY

St. Paul, Minnesota, Monday, March 23, 1992

The Senate met at 2:30 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. John Spencer.

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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Mr. Halberg was excused from the Session of today. Mr. Dahl was excused from the Session of today at 3:15 p.m. Mr. Mondale was excused from the Session of today from 2:30 to 3:00 p.m.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2349 and 2145. The motion prevailed.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2329: A bill for an act relating to farm safety; providing flexibility in spending an appropriation; amending Laws 1991, chapter 254, article 1, section 7, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 44 to 47, reinstate the stricken language and delete the new language

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2655: A bill for an act relating to agriculture; making political subdivisions of the state eligible for reimbursement from the agricultural chemical response and reimbursement account; amending Minnesota Statutes 1990, section 18E.02, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, after "means" insert ":

(1)"

Page 1, lines 12 and 13, reinstate the stricken language and insert "*except as provided in clause (2),*"

Page 1, line 14, before the period, insert ";

(2) a political subdivision of the state when an incident occurs at a site owned by the political subdivision and where an aerial pesticide applicator conducted storage, handling, or distribution operations"

Amend the title as follows:

Page 1, line 2, after "making" insert "certain"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2693: A bill for an act relating to agriculture; authorizing the commissioner of agriculture to make certain adjustments, agreements, and settlements in family farm security loans; providing for transfer and disposition of certain funds; appropriating money; amending Minnesota Statutes 1990, sections 41.56, subdivision 3; 41.57, by adding subdivisions; and 41.61, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 3, delete "*partial*" and insert "*discounted*" and after "*obligations*" insert "*discounted under subdivision 2b*"

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. 2473: A bill for an act relating to the department of health; establishing a service connection fee for certain public water supply users; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1825: A bill for an act relating to the Minnesota supplemental aid program; expanding assistance for mentally ill persons in shared housing; amending Minnesota Statutes 1990, section 256D.44, subdivisions 2 and 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 1, line 24, delete "Sec. 2." and insert "Section 1."

Page 2, line 7, after the first comma, insert "*who resides with another person who is not the applicant's or recipient's spouse or another financially responsible relative,*"

Amend the title as follows:

Page 1, line 5, delete "subdivisions 2 and" and insert "subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2049: A bill for an act relating to occupations and professions; clarifying membership requirements for the board of pharmacy; amending Minnesota Statutes 1991 Supplement, section 151.03.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, delete "*hole*" and insert "*whole*"

Page 1, after line 24, insert:

"Sec. 2. [APPLICATION.]

Section 1 is effective for appointments made after August 1, 1992."

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. 2622: 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 11A.23, subdivision 2; 13.791; 82B.20, subdivision 2; 86B.115; 86B.601, subdivision 1; 88.45; 103I.112; 115A.63, subdivision 3; 115A.82; 116J.70, subdivision 2a; 176.1041, subdivision 1; 176.361, subdivision 2; 177.23, subdivision 7; 183.38, subdivision 1; 214.01, subdivision 2; 268A.09, subdivision 7; 290.10; 297A.15, subdivision 5; 298.402; 298.405, subdivision 1; 326.405; 326.43; 348.13; 352.116, subdivision 3b; 352B.10, subdivision 5; 352B.105; 356.24; 356.82; 466.131; 504.02; 514.53; 517.08, subdivision 1c; and 609.0331; Minnesota Statutes 1991 Supplement, sections 3.873, subdivision 6; 16B.122, subdivision 2; 60D.20, subdivision 1; 60G.01, subdivision 2; 116.072, subdivision 1; 116J.693, subdivision 2; 124.19, subdivision 1; 124.479; 169.983; 171.06, subdivision 3; 179A.10, subdivision 2; 256.969, subdivisions 2 and 3a; 256B.74, subdivision 2; 256H.03, subdivision 5; 272.01, subdivision 2; 272.02, subdivision 1; 275.50, subdivision 5; 340A.4055; 457A.01, subdivision 5; 473.845, subdivision 3; and 611A.02, subdivision 2; reenacting Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f; repealing Minnesota Statutes 1990, section 326.01, subdivision 20; Laws 1989, chapter 282, article 2, section 188; Laws 1991, chapters 182, section 1; and 305, section 10.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2368: A bill for an act relating to probate; enacting the uniform transfer on death security registration act; providing for rights of creditors and revocation of beneficiary designation by will; proposing coding for new law in Minnesota Statutes, chapter 524.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, line 15, delete "*such a*" and insert "*the*"

Page 6, line 28, delete "*stripes*" and insert "*stirpes*"

Page 7, line 14, delete "OF PART"

Page 7, line 15, delete "*This part applies*" and insert "*Sections 1 to 13 apply*"

Page 7, line 16, after "*before*" insert "*, on,*" and delete "*this*"

Page 7, line 17, delete "*part*" and insert "*sections 1 to 13*" and delete "*of this*"

Page 7, line 18, delete "*part*"

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. 1821: A bill for an act relating to human services; changing certain provisions for support and placement of children; amending Minnesota Statutes 1990, sections 256.87, subdivision 5; 257.071, subdivision 1, and by adding a subdivision; 257.072, subdivisions 7 and 8; 257.0725; 257.59, subdivision 1; 259.255; 259.28, subdivision 2; 259.455; 260.012; 260.015, by adding a subdivision; 260.181, subdivision 3; 260.191, subdivisions 1 and 1a; 260.221, subdivision 1; 260.235; and 260.40.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 1

Page 3, line 16, delete "she or he" and insert "the child"

Page 3, after line 32, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 257.071, subdivision 1a, is amended to read:

Subd. 1a. [PROTECTION OF HERITAGE OR BACKGROUND.] The authorized child placing agency shall ensure that the child's best interests are met by giving due consideration of the child's race or ethnic heritage in making a family foster care placement. *Except as provided in section 5*, the authorized child placing agency shall place a child, released by court order or by voluntary release by the parent or parents, in a foster home selected by following the preferences described in section 260.181, subdivision 3. In instances where a child ~~from a family of color~~ is placed in a family foster home of a different racial or ethnic background *or is not placed with relatives*, the local social service agency shall review the placement after 30 days and each 30 days thereafter for the first six months to determine if there is another available placement that would better satisfy the requirements of this subdivision."

Page 4, line 1, delete everything after "unless" and insert a colon

Page 4, delete lines 2 and 3 and insert:

"(1) failure to remove the child from the foster family home would be detrimental to the child;

(2) the new placement is in an adoptive home and the foster family did not notify the social service agency that it wishes to adopt the child following notice under section 4;

(3) the new placement is for permanent foster care under section 260.235 and the foster family does not wish to provide permanent foster care;

(4) the new placement is in the home of a relative; or

(5) the child has been in the foster family home for less than six months.

For purposes of this subdivision, "relative" means (1) a grandparent, great-grandparent, aunt, uncle, great-aunt, great-uncle, first cousin, or sibling of the child, or (2) a person who resided in a household with the child for two years or more or with whom the child has established emotional ties creating a parent-child relationship.

Sec. 4. Minnesota Statutes 1990, section 257.071, is amended by adding a subdivision to read:

Subd. 8. [NOTICE OF AVAILABILITY FOR ADOPTION.] The social service agency shall notify the foster family of a child when the child becomes available for adoption. The notice must inform the foster family of the right to be considered for an adoptive placement in accordance with section 13, provided that the foster family notifies the agency within 30 days of receiving notice under this subdivision that the family wishes to adopt the child."

Page 4, line 13, delete "contact" and insert "disclose private or confidential data, as defined in section 13.02, to"

Page 4, line 14, delete everything after "placement"

Page 4, delete line 15

Page 4, line 16, delete everything before the period

Page 4, line 22, before the semicolon, insert "and the agency shall not contact relatives unless ordered to do so by the juvenile court"

Page 6, after line 18, insert:

"Sec. 8. Minnesota Statutes 1991 Supplement, section 257.076, is amended by adding a subdivision to read:

Subd. 8. [HISPANIC.] "Hispanic" means heritage or national origins in Argentina, Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Uruguay, Spain, and Venezuela."

Page 7, line 6, before "The" insert "Except as provided in section 13,"

Page 7, after line 28, insert:

"Sec. 11. Minnesota Statutes 1990, section 259.26, subdivision 1, is amended to read:

Subdivision 1. [TO WHOM GIVEN.] Except as provided in subdivision 3, and subject to section 259.261, notice of the hearing upon a petition to adopt a child shall be given to:

- (1) The guardian, if any, of a child;
- (2) *The foster family of a child;*
- (3) *An adult relative of the child, as defined in section 13; and*
- (4) The parent of a child if:
 - (a) The person's name appears on the child's birth certificate, as a parent, or
 - (b) The person has substantially supported the child, or
 - (c) The person either was married to the person designated on the birth certificate as the natural mother within the 325 days before the child's birth or married that person within the ten days after the child's birth, or
 - (d) The person is openly living with the child or the person designated on the birth certificate as the natural mother of the child, or both, or
 - (e) The person has been adjudicated the child's parent, or
 - (f) The person has filed an affidavit pursuant to section 259.261.

This notice need not be given to any above named person whose parental rights have been terminated, whose notice of intention to retain parental

rights filed pursuant to section 259.261 has been successfully challenged, who has consented to the adoption or who has waived notice of the hearing. *The notice need not be given to an adult relative, other than a parent, who cannot be reasonably identified or located.* The notice of the hearing may be waived by a parent, guardian, foster family, relative, or other interested party by a writing executed before two competent witnesses and duly acknowledged. The waiver shall be filed in the adoption proceedings at any time before the matter is heard."

Page 8, line 4, before "In" insert "*Except as provided in section 13.*"

Page 8, after line 26, insert:

"Sec. 13. Minnesota Statutes 1990, section 259.28, is amended by adding a subdivision to read:

Subd. 3. [PERMANENCE.] If a child's foster family notified the social service agency within 30 days of receiving notice under section 4 that it wished to adopt the child, the court shall give preference to placing the child for adoption with the foster family in the absence of good cause to the contrary, unless:

(1) placement of the child with the foster family would be detrimental to the child;

(2) the child is placed for adoption with a relative; or

(3) the child has been in the foster family home for less than six months.

For purposes of this subdivision, "relative" means a grandparent, great-grandparent, aunt, uncle, great-aunt, great-uncle, first cousin, or sibling of the child."

Page 12, line 6, before "The" insert "*Except as provided in section 5 or 13.*"

Page 12, lines 21 to 25, delete the new language

Page 20, line 36, before the colon, insert "*and the provisions of section 5*"

Page 21, line 26, before "The" insert "*Subject to section 5.*"

Page 21, line 35, after "in" insert "*the child's*"

Page 22, line 4, after the period, insert "*The agency shall conduct an administrative review of the case plan every two years when the court has issued an order for long-term foster care.*"

Page 22, delete lines 20 and 21 and insert:

"Provisions of this act that delete the term "minority" in reference to a child's racial or ethnic heritage or that otherwise delete provisions that limit consideration of racial or ethnic heritage to a child of a minority racial or ethnic heritage are effective the day following final enactment."

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "256.87."

Page 1, line 5, delete "subdivision 5;" and delete "a" and insert "subdivisions"

Page 1, line 6, delete "subdivision"

Page 1, line 7, after the second semicolon, insert "259.26, subdivision 1;" and after "2" insert ", and by adding a subdivision"

Page 1, line 10, before the period, insert "; and Minnesota Statutes 1991 Supplement, sections 257.071, subdivision 1a; and 257.076, by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was re-referred

S.F. No. 2380: A bill for an act relating to the legislature; requiring committees of the legislature to consider the effect of proposed legislation on the state's science and technology policy; proposing coding for new law in Minnesota Statutes, chapter 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, after "COMMITTEES" insert "AND COMMISSIONS"

Page 1, line 11, after "*committees*" insert "*and commissions*"

Page 2, line 27, delete "*through*"

Page 2, line 28, delete everything before the period

Page 3, line 4, delete everything after "*system*"

Page 3, line 5, delete everything before the period

Amend the title as follows:

Page 1, line 2, after "committees" insert "and commissions"

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. 2034: A bill for an act relating to health; allowing persons who voluntarily provide assistance at the scene of an accident to obtain test results to determine whether they have been exposed to HIV or hepatitis B; amending Minnesota Statutes 1990, section 144.761, subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

H.F. No. 2081: A bill for an act relating to health; modifying provider appeal requirements for medical assistance; amending Minnesota Statutes 1990, section 256B.50, subdivision 1b.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

H.F. No. 1249: A bill for an act relating to the city of St. Paul; providing certain economic development authority.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 14 and 15

Page 1, line 16, delete "(c)" and insert "(b)"

Page 2, line 1, delete "(d)" and insert "(c)"

Page 2, line 11, delete "(e)" and insert "(d)" and delete "(d)" and insert "(c)"

Page 2, delete section 2

Page 2, line 30, delete everything after the period

Page 2, delete lines 31 to 33

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2205: A bill for an act relating to state land; authorizing private sale of certain land in Washington county; authorizing environmental cleanup of the land; authorizing alteration of marginal lands.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "or any other law to the contrary"

Page 4, after line 35, insert:

"Sec. 4. Minnesota Statutes 1990, section 138.56, is amended by adding a subdivision to read:

Subd. 18. [DESIGNATION.] Old Sibley county courthouse located on land owned by the city of Henderson in Sibley county is designated as the Joseph R. Brown historical interpretive center."

Page 4, line 36, delete "4" and insert "5"

Amend the title as follows:

Page 1, line 5, before the period, insert "; designating the old Sibley county courthouse as an historical interpretive center; amending Minnesota Statutes 1990, section 138.56, by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 695: A bill for an act relating to motor carriers: making technical changes to motor carrier laws; allowing motor carrier certificate to be suspended or revoked for certain violations; providing an exemption for limousine service by a luxury passenger automobile; requiring private carriers operating vehicles having a gross weight greater than 12,000 pounds to comply with driver qualification rules; requiring formerly exempt carriers operating vehicles having a gross weight greater than 12,000 pounds to comply with rules on driver qualifications and maximum hours of service of drivers; adopting federal out-of-service criteria for motor carriers; providing that certain federal laws and regulations apply to certain intrastate commerce; authorizing certain inspections and information gathering by the department of transportation regarding hazardous materials; authorizing variances to federal regulations regarding certain cargo tanks that transport gasoline; requiring immediate notice and subsequent written reports for additional situations involving hazardous materials transportation; prohibiting issuance of hazardous waste transporter license to applicant with history of repeated or serious violations; allowing exchange of information on applicant for hazardous waste transporter license; allowing trip permits for certain interstate transportation of hazardous waste and imposing a fee; requiring certain information from applicant to operate as permit carrier or local cartage carrier; establishing the initial motor carrier contact program; requiring information to be displayed on power units of registered vehicles of certain motor carriers; authorizing commissioner of transportation to suspend or cancel the operating authority, permit, or certificate of a motor carrier failing to pay a required administrative penalty; imposing administrative penalties; requiring payment of service charge for each identification stamp issued to an interstate motor carrier; allowing commissioner of transportation to inspect vehicles and records of building movers; requiring building movers to comply with rules on driver qualifications, safe operation, maximum hours of service of drivers, inspection repair and maintenance, and accident reporting; requiring police escort when moving building, when required by permit; allowing commissioner of transportation to revoke, suspend, or deny a license for noncompliance with certain moving permits and other violations regarding building movers; amending Minnesota Statutes 1990, sections 221.021; 221.025; 221.031, subdivisions 2, 3, and by adding a subdivision; 221.033, subdivision 1, and by adding a subdivision; 221.034, subdivisions 1 and 3; 221.035, subdivision 1, and by adding a subdivision; 221.121, subdivisions 1 and 7; 221.131, subdivisions 1 and 2; 221.185, subdivisions 1, 2, and 4; 221.60, subdivision 2; 221.605, by adding a subdivision; and 221.81, subdivisions 2 and 4, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 221.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 169.781 to 169.783:

(a) “Commercial motor vehicle” means:

(1) a commercial motor vehicle as defined in section 169.01, subdivision 75, paragraph (a); and

(2) each vehicle in a combination of more than 26,000 pounds.

"Commercial motor vehicle" does not include (1) a school bus displaying a certificate under section 169.451, (2) a bus operated by the metropolitan transit commission created in section 473.404 or by a local transit commission created in chapter 458A, or (3) a motor vehicle with a gross weight of not more than 26,000 pounds, carrying in bulk tanks a total of not more than 200 gallons of petroleum products or liquid fertilizer or pesticide.

(b) "Commissioner" means the commissioner of public safety.

(c) "Owner" means a person who owns, or has control, under a lease of more than 30 days' duration, of one or more commercial motor vehicles.

(d) "Storage semitrailer" means a semitrailer that (1) is used exclusively to store property at a location not on a street or highway, (2) does not contain any load when moved on a street or highway, (3) is operated only during daylight hours, and (4) is marked on each side of the semitrailer "storage only" in letters at least six inches high.

(e) "*Building mover vehicle*" means a vehicle owned or leased by a building mover as defined in section 221.81, subdivision 1, paragraph (a), and used exclusively for moving buildings.

Sec. 2. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than \$2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, ~~or~~ (2) a storage semitrailer, *or* (3) a *building mover vehicle* must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clause (1) ~~or~~, (2), *or* (3) is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

Sec. 3. Minnesota Statutes 1991 Supplement, 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 highways 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. *For vehicles manufactured before August 2, 1991, the maximum weight per inch of tire width is 600 pounds per inch or the manufacturer's recommended load, whichever is less, until August 1, 1996, to all vehicles. After July 31, 1996, clause (2) applies to all vehicles regardless of date of manufacture.*

(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 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. 4. Minnesota Statutes 1991 Supplement, 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	Maximum gross weight in pounds on a group of		
	2 consecutive axles of	3 consecutive axles of	4 consecutive axles of

between centers of fore- most and rear-most axles of a group	a 2-axle vehicle or of any vehicle or combination of vehicles having a total of 2 or more axles	a 3-axle vehicle or of any vehicle or combination of vehicles having a total of 3 or more axles	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	39,000 37,000	
8	34,000	39,000 38,500	
8 plus	34,000 (38,000)	42,000	
9	35,000 (39,000)	43,000	
10	36,000 (40,000)	43,500	49,000
11	36,000	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

Distances in feet between centers of fore- most and rearmost axles of a group	5	6	7
	consecutive axles of a 5-axle vehicle or any com- bination 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. 5. Minnesota Statutes 1990, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent from January 1 to March 7 each winter, statewide;

(2) by ten percent from December 1 through December 31 each winter in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along trunk highway No. 61 to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to

the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota-North Dakota border; thence northerly along that border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from ~~October 1~~ *the beginning of harvest* to November 30 each year for the movement of sugar beets and potatoes *within an area having a 75-mile radius* from the field of harvest to the point of the first unloading. The commissioner shall not issue permits under this clause if to do so will result in a loss of federal highway funding to the state.

(b) The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of spring-time load restrictions, or March 7.

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner under section 169.832, subdivision 11.

Sec. 6. Minnesota Statutes 1990, section 169.825, subdivision 14, is amended to read:

Subd. 14. [VARIABLE LOAD AXLES.] A vehicle or combination of vehicles equipped with one or more variable load axles shall have the pressure control preset so that the weight carried on the variable load axle may not be varied by the operator during transport of any load. The actuating control for the axle shall function only as an on and off switch. The provisions of this subdivision do not apply to any farm truck registered prior to July 1, 1981, under section 168.013, subdivision 1c, for 57,000 pounds or less ~~or to any rear-loading refuse compactor vehicle.~~ *This subdivision does not apply to rear-loading refuse compactor vehicles, except that any refuse compactor vehicle having a tridem rear axle must comply with this subdivision before being issued a special permit under section 169.86, subdivision 5, paragraph (h).*

Sec. 7. Minnesota Statutes 1991 Supplement, 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) ~~(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;~~

(4) ~~(3) motor vehicles operating with gross weights authorized under section 169.825, subdivision 11, paragraph (a), clause (3); and~~

(5) ~~(4) 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) exceeding weight limi- tations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	.100	.040	.036
2,001-4,000	.124	.050	.044
4,001-6,000	.150	.062	.050
6,001-8,000	Not permitted	.078	.056
8,001-10,000	Not permitted	.094	.070
10,001-12,000	Not permitted	.116	.078
12,001-14,000	Not permitted	.140	.094
14,001-16,000	Not permitted	.168	.106
16,001-18,000	Not permitted	.200	.128
18,001-20,000	Not permitted	Not permitted	.140
20,001-22,000	Not permitted	Not permitted	.168

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

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.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.825, subdivision 14, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

Sec. 8. Minnesota Statutes 1990, section 174.30, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY TO ADOPT; PURPOSE AND CONTENT; RULEMAKING.] The commissioner of transportation shall adopt by rule standards for the operation of vehicles used to provide special transportation service which are reasonably necessary to protect the health and safety of individuals using that service. The commissioner, as far as practicable, consistent with the purpose of the standards, shall avoid adoption of standards that unduly restrict any public or private entity or person from providing special transportation service because of the administrative or other cost of compliance.

Standards adopted under this section must include but are not limited to:

(a) Qualifications of drivers and attendants, including driver training requirements that must be met before a driver provides special transportation;

(b) Safety of vehicles and necessary safety equipment;

(c) General requirements concerning inspection and maintenance of vehicles, replacement vehicles, standard vehicle equipment, and specialized equipment necessary to ensure vehicle usability and safety for disabled persons; ~~and~~

(d) Minimum insurance requirements; *and*

(e) *Assessment of administrative penalties for violations.*

The commissioner shall consult with the council on disability before making a decision on a variance from the standards.

Sec. 9. Minnesota Statutes 1990, section 221.011, subdivision 20, is amended to read:

Subd. 20. "Charter" means the agreement whereby the owner of a motor ~~bus~~ *vehicle* lets the same to a group of persons as one party for a specified sum and for a specified act of transportation at a specified time.

Sec. 10. Minnesota Statutes 1990, section 221.011, subdivision 21, is amended to read:

Subd. 21. "Charter carrier" means a person who engages in the business of transporting the public by motor ~~buses~~ *vehicle* under charter. The term "charter carrier" does not include regular route common carriers of passengers ~~and~~, school buses described in section 221.025, clause (a), *or persons providing limousine service described in section 221.84.*

Sec. 11. Minnesota Statutes 1990, section 221.011, subdivision 25, is amended to read:

Subd. 25. "Courier services carrier" means any person who offers expedited door-to-door transportation of packages and articles less than 100 pounds in weight in ~~vehicles~~ *a vehicle* with a ~~registered gross vehicle weight and gross vehicle weight rating not exceeding~~ *registered gross vehicle weight of 15,000 pounds or less.*

Sec. 12. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 33. "Gross vehicle weight" has the meaning given it in section 169.01, subdivision 46.

Sec. 13. Minnesota Statutes 1990, section 221.021, is amended to read:

221.021 [OPERATION CERTIFICATE OR PERMIT REQUIRED.]

No person ~~shall~~ *may* operate as a motor carrier or advertise or otherwise hold out as a motor carrier without a certificate or permit in ~~full force and~~ effect. A certificate or permit may be suspended or revoked upon conviction of violating a provision of sections 221.011 to 221.296 or an order or rule of the commissioner or board governing the operation of motor carriers, and upon a finding by the court that the violation was willful. The board may, for good cause after a hearing, suspend or revoke a ~~certificate or permit~~ *certificate or permit* for a violation of a provision of sections 221.011 to 221.296 or an order ~~issued~~ *of adopted by* the commissioner or board ~~issued~~ under this chapter.

Sec. 14. Minnesota Statutes 1991 Supplement, 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 *requiring a certificate or permit to operate as a motor carrier* 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~~ *solid waste, as defined in section 116.06, subdivision 10, including recyclable materials and waste tires, except that the term "hazardous waste" has the meaning given it in section 221.011, subdivision 31;*

(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~~ *the transportation of 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~~ *the transportation of 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~~ *the transportation of 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) 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; and

(o) the transportation of newspapers, as defined in section 331A.01, subdivision 5, telephone books, handbills, circulars, or pamphlets in a vehicle with a gross vehicle weight of 10,000 pounds or less.

The exemptions provided in this section apply to a person only while the person is exclusively engaged in exempt transportation.

Sec. 15. Minnesota Statutes 1990, section 221.031, subdivision 1, is amended to read:

Subdivision 1. [POWERS, DUTIES, REPORTS, LIMITATIONS.] (a) This subdivision applies to motor carriers engaged in intrastate commerce.

(b) The commissioner shall prescribe rules for the operation of motor carriers, including their facilities; accounts; leasing of vehicles and drivers; service; safe operation of vehicles; equipment, parts, and accessories; ~~maximum~~; hours of service of drivers; driver qualifications; accident reporting; identification of vehicles; installation of safety devices; inspection, repair, and maintenance; and proper automatic speed regulators if, in the opinion of the commissioner, there is a need for the rules.

(c) The commissioner shall direct the repair and reconstruction or replacement of an inadequate or unsafe motor carrier vehicle or facility. The commissioner may require the construction and maintenance or furnishing of suitable and proper freight terminals, passenger depots, waiting rooms, and accommodations or shelters in a city in this state or at a point on the highway traversed which the commissioner, after investigation by the department, may deem just and proper for the protection of passengers or property.

(d) The commissioner shall require the filing of annual and other reports including annual accounts of motor carriers, schedules of rates and charges, or other data by motor carriers, regulate motor carriers in matters affecting the relationship between them and the traveling and shipping public, and prescribe other rules as may be necessary to carry out the provisions of this chapter.

(e) A motor carrier having gross revenues from for-hire transportation in a calendar year of less than \$50,000 may, at the discretion of the commissioner, be exempted from the filing of an annual report, if instead of filing the report the motor carrier files an affidavit, in a form as may be prescribed by the commissioner, attesting that the motor carrier's gross revenues did not exceed \$50,000 in the previous calendar year. Motor carrier gross revenues from for-hire transportation, for the purposes of this subdivision only, do not include gross revenues received from the operation of school buses as defined in section 169.01, subdivision 6.

(f) The commissioner shall enforce sections 169.781 to 169.783.

(g) The commissioner shall make no rules relating to the granting, limiting, or modifying of permits or certificates of convenience and necessity, which are powers granted to the board.

(h) The board may extend the termini of a route or alter or change the route of a regular route common carrier upon petition and after finding that public convenience and necessity require an extension, alteration, or change.

Sec. 16. Minnesota Statutes 1990, section 221.031, subdivision 2, is amended to read:

Subd. 2. [PRIVATE CARRIERS.] This subdivision applies to private carriers engaged in intrastate commerce.

(a) Private carriers operating vehicles ~~licensed and registered for~~ with a gross vehicle weight of more than ~~12,000~~ 10,000 pounds, shall comply with rules adopted under this section ~~applying to maximum~~ for driver qualifications; hours of service of drivers; safe operation of vehicles; equipment, parts, and accessories; leasing of vehicles or vehicles and drivers; and inspection, repair, and maintenance. *Private carriers not subject to the rules of the commissioner for driver qualifications on August 1, 1992, must comply with those rules on and after August 1, 1994.*

(b) ~~In addition to the requirements in paragraph (a), private carriers operating vehicles licensed and registered for a gross weight in excess of 26,000 pounds shall comply with rules adopted under this section relating to driver qualifications.~~

(c) ~~The requirements as to driver qualifications and maximum rules for~~ hours of service ~~for~~ of drivers do not apply to private carriers who are (1) public utilities as defined in section 216B.02, subdivision 4; (2) cooperative electric associations organized under chapter 308A; (3) telephone companies as defined in section 237.01, subdivision 2; or (4) ~~who are~~ engaged in the transportation of construction materials, tools and equipment from shop to job site or job site to job site, for use by the private carrier in the new construction, remodeling, or repair of buildings, structures or their appurtenances.

(d) ~~(c) The rules for driver qualification rule qualifications and the hours of service rules of drivers~~ do not apply to vehicles controlled by a farmer and operated by a farmer or farm employee to transport agricultural products ~~or~~, farm machinery, or supplies to or from a farm if the vehicle is not used in the operations of a motor carrier and not carrying hazardous materials of a type or quantity that requires the vehicle to be marked or placarded in accordance with section 221.033.

Sec. 17. Minnesota Statutes 1990, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [AGRICULTURAL EXEMPTIONS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner's rules for driver qualifications ~~and safety of operations~~; *safe operation of vehicles*; and equipment, *parts, and accessories*, except as provided in paragraphs (b) and (c).

(b) A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner requiring rear-end protection, including a federal regulation adopted by reference.

(c) A private carrier operating a commercial motor vehicle as defined in section 169.781, subdivision 1, must comply with sections 169.781 to 169.783.

Sec. 18. Minnesota Statutes 1990, section 221.031, is amended by adding a subdivision to read:

Subd. 2b. [OTHER EXEMPTIONS.] From August 1, 1992, to August 1,

1994, the rules of the commissioner for hours of service for drivers do not apply to a person exclusively engaged in the transportation of asphalt cement, cementitious material, fly ash, or sod, when the transportation is provided within a radius of 100 miles from (1) the person's home post office, or (2) a highway construction or maintenance site where the asphalt cement, cementitious material, fly ash, or sod is being used.

Sec. 19. Minnesota Statutes 1990, section 221.031, subdivision 3, is amended to read:

Subd. 3. [VEHICLES OVER ~~42,000~~ 10,000 POUNDS NOT EXEMPT.] (a) This subdivision applies to ~~vehicles~~ persons engaged in intrastate commerce; who operate vehicles providing transportation described in section 221.025 ~~which are registered and licensed for~~ with a gross vehicle weight in excess of ~~42,000~~ 10,000 pounds, except school buses, commuter vans, and authorized emergency vehicles;.

(b) Persons providing transportation described in section 221.025, clause (f), (j), (l), or (m), must comply with the rules of the commissioner for ~~safety of operations~~ safe operation of vehicles and for equipment, parts, and accessories.

(c) Persons providing transportation described in section 221.025, except for persons providing transportation described in clause (f), (j), (l), or (m), must comply with the rules of the commissioner for safe operation of vehicles; equipment, parts, and accessories; and, after August 1, 1994, the rules of the commissioner for driver qualifications.

Sec. 20. Minnesota Statutes 1990, section 221.031, subdivision 3a, is amended to read:

Subd. 3a. [CONTRACTORS OR RECIPIENTS OF TRANSPORTATION ASSISTANCE.] Notwithstanding subdivision 3, providers of passenger transportation service under contract to and with operating assistance from the department or the regional transit board must comply with rules of the commissioner for driver qualifications; safe operation of vehicles; equipment, parts, and accessories; ~~maximum~~; hours of service of drivers; inspection, repair, and maintenance; and accident reporting.

This subdivision does not apply to (1) a local transit commission, (2) a transit authority created by the legislature, (3) special transportation service certified by the commissioner under section 174.30, or (4) special transportation service defined in section 174.29, subdivision 1, when provided by a volunteer driver operating a private passenger vehicle defined in section 169.01, subdivision 3a.

Sec. 21. Minnesota Statutes 1990, section 221.031, is amended by adding a subdivision to read:

Subd. 3b. [SOLID WASTE TRANSPORTERS NOT EXEMPT.] Persons providing transportation described in section 221.025, clause (b), must comply with the rules of the commissioner for driver qualifications after August 1, 1994; hours of service of drivers; safe operation of vehicles; equipment, parts, and accessories; and inspection, repair, and maintenance. A local government unit, as defined in section 115A.03, subdivision 17, shall not enact or enforce laws, ordinances, or regulations for the operation of solid waste transporters that are inconsistent with the rules of the commissioner.

Sec. 22. Minnesota Statutes 1990, section 221.031, subdivision 6, is

amended to read:

Subd. 6. [VEHICLE IDENTIFICATION RULE.] (a) The following carriers shall display the carrier's name and address on the power unit of each vehicle:

- (1) motor carriers, regardless of the weight of the vehicle;
- (2) interstate and intrastate private carriers operating vehicles ~~licensed and registered for~~ with a gross vehicle weight of ~~12,000~~ 10,000 pounds or more; and
- (3) vehicles providing transportation described in section 221.025 ~~which are licensed and registered for~~ with a gross vehicle weight of ~~12,000~~ 10,000 pounds or more except those providing transportation described in section 221.025, clauses (a), (c), and (d).

Vehicles described in clauses (2) and (3) that are operated by farmers or farm employees and have four or fewer axles are not required to comply with the vehicle identification rule of the commissioner.

(b) Vehicles subject to this subdivision must show the name or "doing business as" name of the carrier operating the vehicle and the ~~city or~~ community and ~~state~~ abbreviation of the state in which the carrier maintains its principal office or in which the vehicle is customarily based. If the carrier operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the operating carrier appears on the vehicle, the words "operated by" must immediately precede the name of the carrier.

(c) The name and address must be in letters that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.

Sec. 23. [221.0313] [CONTROLLED SUBSTANCES TESTING AND PROCEDURES.]

Subdivision 1. [PURPOSE; INTENT; EXEMPTION.] (a) The purpose of this section is to adopt federal regulations governing testing for controlled substances.

(b) The legislature intends that the adopted federal regulations be applied:

(1) to persons who provide intrastate transportation, who are subject to the rules of the commissioner for driver qualifications, and who operate commercial motor vehicles, as defined in Code of Federal Regulations, title 49, section 391.85; and

(2) in the same manner that the federal regulations apply to interstate transportation.

(c) Intrastate carriers who are required to comply with the adopted federal regulations are exempt from the requirements of sections 181.950 to 181.957. This exemption applies only to the testing of drivers.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms used in the federal regulations adopted in subdivisions 4 and 5 have the meanings given them in this subdivision:

(a) "DOT agency" means the commissioner of transportation.

(b) "DOT agency regulations" means the federal regulations adopted in subdivisions 4 and 5.

(c) "Motor carrier" means:

(1) a motor carrier as defined in section 221.011, subdivision 15; and

(2) a private carrier as defined in section 221.011, subdivision 26, or a person providing transportation described in section 221.025 when the private carrier or person:

(i) is subject to the rules of the commissioner for driver qualifications under section 221.031; and

(ii) is operating a commercial motor vehicle.

The term "motor carrier" includes a motor carrier's agents; officers; representatives; employees responsible for hiring, supervising, training, assigning, or dispatching drivers; and employees concerned with installing, inspecting, and maintaining motor vehicle equipment or accessories. The definition of motor carrier includes the term "employer."

Subd. 3. [APPLICABILITY.] The regulations adopted in subdivisions 4 and 5 apply to a motor carrier providing transportation by commercial motor vehicle in intrastate commerce.

Subd. 4. [DRIVER QUALIFICATIONS; FEDERAL REGULATIONS ADOPTED.] Code of Federal Regulations, title 49, sections 391.41, paragraph (c); 391.43, paragraph (a)(2); 391.81, paragraphs (a) and (b); 391.85; 391.87; 391.89; 391.95 to 391.123; and part 391, appendix D, are incorporated by reference.

Subd. 5. [CONTROLLED SUBSTANCES TESTING; FEDERAL REGULATIONS ADOPTED.] Code of Federal Regulations, title 49, sections 40.1; 40.3; 40.21, paragraphs (a), (c), and (d); 40.23 to 40.39; and part 40, appendix A, are incorporated by reference.

Subd. 6. [APPLICABILITY OF OTHER TESTING PROGRAMS.] (a) If a drug testing program established under this section is limited to testing for the controlled substances listed in Code of Federal Regulations, title 49, section 40.21, paragraph (a), sections 181.950 to 181.957 do not apply.

(b) Persons subject to this section may test for drugs, in addition to those listed in Code of Federal Regulations, title 49, section 40.21, paragraph (a), or for alcohol, only in accordance with sections 181.950 to 181.957, and rules adopted under those sections.

Sec. 24. Minnesota Statutes 1990, section 221.033, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Except as provided in subdivisions 2 and 3 to 4, no person may transport or ~~have transported~~ offer or ~~shipped~~ accept for transportation within the state of Minnesota a hazardous material, hazardous substance, or hazardous waste except in compliance with United States Code, title 49, sections 1801 to 1811 and the provisions of Code of Federal Regulations, title 49, ~~sections~~ parts 171 to 199. Those provisions apply to transportation in intrastate commerce to the same extent they apply to transportation in interstate commerce.

Sec. 25. Minnesota Statutes 1990, section 221.033, subdivision 2, is

amended to read:

Subd. 2. [~~EXCEPTION~~ *EXEMPTION FOR FARMERS.*] (a) *This subdivision applies to persons engaged in intrastate commerce.*

(b) *Farmers or their employees transporting diesel fuel, gasoline, agricultural chemicals, or agricultural fertilizers for use on the transporter's farm are not required to comply with the driver qualification rules of the commissioner or with the shipping paper requirements of the Code of Federal Regulations, title 49, sections 172.200 and 177.817 or with section 397.7(B) or 397.9(A) of the Federal Motor Carrier Safety Regulations when:*

(1) *transporting diesel fuel or gasoline in motorized tank truck vehicles of less than 1,500-gallon capacity owned by the transporter, or in tanks securely mounted in other motor vehicles with a gross vehicle weight of less than ~~12,000~~ 10,000 pounds and owned by the transporter; or*

(2) *transporting agricultural chemicals and agricultural fertilizers.*

~~(b) Fertilizer and agricultural chemical retailers or their employees are exempt from the rule of the commissioner requiring that drivers must be at least 21 years of age when:~~

~~(1) the retailer or its employee is transporting fertilizer or agricultural chemicals directly to a farm for on-farm use within a radius of 50 miles of the retailer's business location; and~~

~~(2) the driver employed by the retailer is at least 18 years of age.~~

~~Fertilizer and agricultural chemical retailers or their employees are also exempt, during the period from April 1, 1991, to June 1, 1991, from the commissioner's rules governing maximum hours of service of drivers, when transporting fertilizer or agricultural chemicals directly to a farm for on-farm use within a radius of 50 miles of the retailer's business location.~~

Sec. 26. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

Subd. 2a. [*AGRICULTURALLY RELATED EXEMPTION.*] (a) *This subdivision applies to persons engaged in intrastate commerce.*

(b) *Fertilizer and agricultural chemical retailers or their employees are exempt from the rule of the commissioner requiring that drivers must be at least 21 years of age when:*

(1) *the retailer or its employee is transporting fertilizer or agricultural chemicals directly to a farm for on-farm use within a radius of 50 miles of the retailer's business location; and*

(2) *the driver employed by the retailer is at least 18 years of age.*

(c) *A fertilizer or agricultural chemical retailer, or a driver employed by a fertilizer or agricultural chemical retailer, is exempt from the rule of the commissioner adopting Code of Federal Regulations, title 49, section 395.3, paragraph (b), relating to hours of service of drivers, and section 395.8, requiring a driver's record of duty status, while exclusively engaged in the transportation of fertilizer or agricultural chemicals between April 1 and July 1 of each year when:*

(1) *the transportation is from the retailer's place of business directly to a farm within a 50-mile radius of the retailer's place of business;*

(2) *the fertilizer or agricultural chemicals are for use on the farm to*

which they are transported; and

(3) the employer maintains a daily record for each driver showing the time a driver reports for duty, the total number of hours a driver is on duty, and the time a driver is released from duty.

Sec. 27. Minnesota Statutes 1990, section 221.033, is amended by adding a subdivision to read:

Subd. 2b. [CARGO TANKS.] The leakage test requirement in Code of Federal Regulations, title 49, section 180.407, paragraph (h), does not apply to cargo tanks of up to 3,000 gallons capacity that transport gasoline in intrastate commerce.

Sec. 28. Minnesota Statutes 1990, section 221.034, subdivision 1, is amended to read:

Subdivision 1. [NOTICE REQUIRED.] At the earliest practicable moment, each person who transports hazardous materials, including hazardous wastes, shall give notice in accordance with subdivision 2 after each incident that occurs during the course of transportation including loading, unloading, and temporary storage, in which as a direct result of hazardous materials:

- (1) a person is killed;
- (2) a person receives injuries requiring hospitalization;
- (3) estimated carrier or other property damage exceeds \$50,000;
- (4) an evacuation of the general public occurs lasting one or more hours;
- (5) one or more major transportation arteries or facilities are closed or shut down for one hour or more;
- (6) the operational flight pattern or routine of an aircraft is altered;
- (7) fire, breakage, spillage, or suspected radioactive contamination occurs involving shipment of radioactive material;
- ~~(8)~~ (8) fire, breakage, spillage, or suspected contamination occurs involving shipment of etiologic agents; or
- ~~(9)~~ (9) a situation exists of such a nature that, in the judgment of the carrier, it should be reported in accordance with subdivision 2 even though it does not meet the criteria of subdivision 4, clause (1), (2), or (3), but a continuing danger to life exists at the scene of the incident.

Sec. 29. Minnesota Statutes 1990, section 221.034, subdivision 3, is amended to read:

Subd. 3. [TIME LIMIT.] Each carrier who transports hazardous materials shall report in writing in duplicate on a form prescribed by the commissioner within ~~15~~ 30 days of the date of discovery, each incident that occurs during the course of transportation, including loading, unloading, or temporary storage, in which, as a direct result of the hazardous materials, any of the circumstances set forth in subdivision 1 occurs or there has been an unintentional release of hazardous materials from a package, including a tank, or any quantity of hazardous waste has been discharged during transportation.

Sec. 30. Minnesota Statutes 1990, section 221.035, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIREMENT.] (a) A person may not transport hazardous waste that is required to have a manifest under Minnesota Rules, part 7045.0261, or is required to have shipping papers under Minnesota Rules, part 7045.0125, without a license issued under this section.

(b) If the applicant complies with the requirements of this section, the commissioner shall issue the license and shall issue a vehicle identification decal for each single unit vehicle or trailer that the licensee will use to transport hazardous waste. The applicant shall pay a fee of \$500 for a three-year license and an annual fee of \$25 for each vehicle identification decal. The license must be maintained at the licensee's principal place of business. The name and address of the licensee must be displayed on both sides of each unit of the vehicle. The vehicle identification decal must be displayed on the single unit vehicle or trailer to which it is assigned, as prescribed by the commissioner, *unless the vehicle carries a trip permit under subdivision 1a*. The decal is effective only when the license is effective. The license must be renewed in the third year following the date of the issuance of the license. The licensee must obtain new decals each year. The license may not be transferred to another person. All decals issued during the year expire each year on the anniversary date of the issuance of the license.

(c) An applicant for a license under this section, who is not otherwise subject to section 221.141, shall file a certificate of insurance with the commissioner as provided in section 221.141. The certificate must state that the insurer has issued to the applicant a policy that by endorsement provides public liability insurance in the amount required by Code of Federal Regulations, title 49, part 387.

(d) The commissioner may not issue a license to an applicant or renew a license if the commissioner determines the applicant's record of violations of federal and state motor carrier safety and hazardous material, hazardous waste, and hazardous substance requirements meets the standard for suspension or revocation of a license under subdivision 3 or if the applicant has an unsatisfactory or conditional safety rating from the United States Department of Transportation.

(e) Before issuing or renewing a license, the commissioner shall conduct a criminal record check of an applicant. If the applicant is a corporation, the commissioner may conduct a criminal record check of the applicant's owners, officers, or controlling agents. The commissioner may also conduct a criminal record check at any time while a person is licensed under this section. The criminal record check must consist of an examination of the state criminal records repository for violations of federal and state motor carrier safety and hazardous material, hazardous waste, and hazardous substance statutes, regulations, or rules. The bureau of criminal apprehension shall provide the commissioner, upon request, conviction information it has about an applicant. The conviction information must include convictions for violations of section 609.671 and, when available, similar statutes or rules of other states. An applicant's failure to cooperate with the commissioner in conducting a criminal record check is reasonable cause to deny an application or revoke a license. The commissioner may not release the results of a criminal record check to any person except the applicant.

Sec. 31. Minnesota Statutes 1990, section 221.035, is amended by adding a subdivision to read:

Subd. 1a. [TRIP PERMIT REQUIREMENTS; FEE.] A hazardous waste trip permit valid for ten days from the date of issue may be issued to a

person licensed under subdivision 1 who also complies with section 221.141. The fee for a trip permit is \$10.

Sec. 32. Minnesota Statutes 1990, section 221.035, subdivision 2, is amended to read:

Subd. 2. [OPERATION REQUIREMENTS.] A vehicle operated under a license issued under this section must be operated in compliance with the rules of the commissioner adopted under this chapter governing: driver qualifications; ~~safety of~~ *safe operation of vehicles*; equipment, parts, and accessories; inspection, repair, and maintenance; and ~~maximum~~ *hours of service of drivers*.

Sec. 33. [221.037] [HAZARDOUS MATERIALS; INFORMATION, INSPECTION.]

Subdivision 1. [REQUIRED TO PROVIDE INFORMATION.] A person who generates, stores, treats, transports, disposes of, or otherwise handles or has handled hazardous materials, hazardous substances, or hazardous waste shall (1) give to transportation representatives and hazardous material specialists of the department information relating to the materials, substances, or waste, or (2) permit them access to and copying of records relating to the materials, substances, or waste, or both.

Subd. 2. [AUTHORITY TO INSPECT.] Transportation representatives and hazardous material specialists of the department have the authority to enter, at a reasonable time and place, any vehicle, cargo tank, or other container used to transport hazardous materials, hazardous substances, or hazardous waste and any treatment, storage, or disposal facility or other place where the materials, substances, or waste are or have been generated, stored, treated, disposed of, or transported from. They may inspect the vehicle, cargo tank, or container and obtain from any person samples of the materials, substances, or waste and samples of the containers or labeling of the materials, substances, or waste for enforcing sections 221.033 to 221.036 or rules adopted under those sections. The authority granted under this subdivision includes the right to break and replace seals.

Sec. 34. Minnesota Statutes 1990, section 221.121, subdivision 1, is amended to read:

Subdivision 1. [PERMIT CARRIERS.] A person desiring to operate as a permit carrier, except as a livestock carrier, or a local cartage carrier shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the board and commissioner may require. *Letters of shipper support must be filed with the petition. No person shall knowingly make a false or misleading statement in a petition.* The board, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291. A permit once granted continues

in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner or board governing permit carriers. No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the board from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 35. Minnesota Statutes 1990, section 221.121, subdivision 7, is amended to read:

Subd. 7. [FEES.] The ~~permit holder~~ *petitioner* shall pay a fee of \$150 into the treasury of the state of Minnesota for each kind of permit or extension of authority for which a petition is filed under this section.

Sec. 36. Minnesota Statutes 1990, section 221.131, subdivision 1, is amended to read:

Subdivision 1. [PERMIT RENEWAL.] Permits issued under section 221.121 are effective for a 12-month period. ~~Each~~ *A permit must be renewed holder shall renew the permit annually and each by registration of the vehicles operated under authority of that permit as required by subdivision 2. A permit holder shall have* has one annual renewal date encompassing all of the permits held by the holder.

Sec. 37. Minnesota Statutes 1990, section 221.131, subdivision 2, is amended to read:

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION] (a) The permit holder shall pay an annual registration fee of \$20 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units.

(b) The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and *payment of a transfer fee of \$10. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective.*

(c) ~~The name and residence of the permit holder must be stenciled or otherwise shown identified on the outside of both doors~~ *power unit of each registered vehicle operated under the permit. Vehicles must show the name or the "doing business as" name of the permit holder operating the vehicle and the community and abbreviation of the state in which the permit holder maintains its principal office or in which the vehicle is customarily based.*

If the permit holder operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the operating permit holder appears on the vehicle, the words "operated by" must immediately precede the name of the permit holder. The name and address must be in letters that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.

(d) A fee of \$10 is charged for the replacement of an unexpired identification card that has been lost or damaged.

Sec. 38. Minnesota Statutes 1990, section 221.131, subdivision 6, is amended to read:

Subd. 6. [COURIER SERVICE CARRIERS; IDENTIFICATION CARDS.] The commissioner shall issue distinct annual identification cab cards for vehicles that provide courier service under a permit issued by the board. A courier service identification cab card may not be issued for a vehicle that has a ~~registered gross vehicle weight~~ or gross vehicle weight ~~rating~~ in excess of 15,000 pounds.

Sec. 39. Minnesota Statutes 1990, section 221.161, subdivision 1, is amended to read:

Subdivision 1. [FILING; HEARING UPON BOARD INITIATIVE.] ~~Every~~ A permit carrier, including a livestock carrier but not including a local cartage carrier, shall file and maintain with the commissioner a tariff showing rates and charges for ~~the transportation of~~ transporting persons or property. ~~The filing with and acceptance by the commissioner of these tariffs, in accordance with the rules relating to the tariffs, constitutes notice to the public and interested parties of the contents of the tariffs.~~ Tariffs must be prepared and filed in accordance with the rules of the commissioner. ~~When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to the public and interested parties of the contents of the tariffs.~~ The commissioner shall not accept for filing tariffs ~~which~~ that are unjust and, unreasonable or, unjustly discriminatory or, unduly preferential or prejudicial, or otherwise in violation of ~~the provisions~~ of this section or rules adopted under this section. If the tariffs appear to be unjust or, unreasonable or, unjustly discriminatory or, unduly preferential or prejudicial, or otherwise in violation of this section, ~~the board or rules adopted under this section,~~ after notification and investigation by the department, ~~the board~~ may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the permit carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the permit carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. Tariffs for ~~the transportation of~~ transporting livestock are not subject to rejection, suspension, or postponement by the board, except as provided in subdivisions 2 and 3. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner.

Sec. 40. Minnesota Statutes 1990, section 221.60, subdivision 2, is amended to read:

Subd. 2. [FORM AND FEES.] A motor carrier engaged in interstate commerce shall register its interstate transportation authority or exemption before February 1 of each year on a form prescribed by the commissioner. The fee for the initial registration is \$25. The fee for each identification stamp is \$5; however, a lesser fee may be collected pursuant to a reciprocal agreement authorized by section 221.65. *In addition to the fees required by this subdivision, a motor carrier shall pay a service charge of 45 cents for each stamp or card issued.*

Sec. 41. Minnesota Statutes 1990, section 221.605, subdivision 1, is amended to read:

Subdivision 1. [FEDERAL REGULATIONS.] (a) Interstate carriers and private carriers engaged in interstate commerce shall comply with the federal motor carrier safety regulations, Code of Federal Regulations, title 49, parts 390 to 398; *with Code of Federal Regulations, title 49, part 40*; and with the rules of the commissioner concerning inspections, vehicle and driver out-of-service restrictions and requirements, and vehicle, driver, and equipment checklists. For purposes of regulating commercial motor vehicles as defined in section 169.781, subdivision 1, the exemption provided in Code of Federal Regulations, title 49, section 396.11, paragraph (d), applies in Minnesota only to driveaway-towaway operations.

(b) An interstate carrier or private carrier engaged in interstate commerce who complies with federal regulations governing testing for controlled substances is exempt from the requirements of sections 181.950 to 181.957 unless the carrier's drug testing program provides for testing for controlled substances in addition to those listed in Code of Federal Regulations, title 49, section 40.21, paragraph (a), or for alcohol. Persons subject to this section may test for drugs, in addition to those listed in Code of Federal Regulations, title 49, section 40.21, paragraph (a), or for alcohol, only in accordance with sections 181.950 to 181.957 and rules adopted under those sections.

Sec. 42. Minnesota Statutes 1990, section 221.81, subdivision 2, is amended to read:

Subd. 2. [LICENSE.] No person may operate as a building mover in this state unless licensed by the commissioner. *The commissioner may inspect a building mover's vehicles or records to determine compliance with this section.*

Sec. 43. Minnesota Statutes 1990, section 221.81, is amended by adding a subdivision to read:

Subd. 3d. [IDENTIFICATION.] (a) *A building mover's name and address must be displayed on the power unit of a vehicle used to move buildings and on buildings being moved.*

(b) Vehicles and buildings must show the name or "doing business as" name of the license holder operating the vehicle and the community and abbreviation of the state in which the license holder maintains its principal office or in which the vehicle is customarily based. If the building mover operates a leased vehicle, it may show its name and the name of the lessor on the vehicle, if the lease relationship is clearly shown. If the name of a person other than the building mover appears on the vehicle, the words

"operated by" must immediately precede the name of the building mover.

(c) *The name and address must be in letters that contrast sharply in color with the background, be readily legible during daylight hours from a distance of 50 feet while the vehicle or building is stationary, and be maintained in a manner that retains the legibility of the markings. The name and address may be shown by use of a removable device if that device meets the identification and legibility requirements of this subdivision.*

Sec. 44. Minnesota Statutes 1990, section 221.81, is amended by adding a subdivision to read:

Subd. 3e. [SAFETY RULES.] (a) A building mover must comply with the rules of the commissioner for safe operation of vehicles; equipment, parts, and accessories, except as provided in paragraph (b); inspection, repair, and maintenance; accident reporting; and, on and after August 1, 1994, driver qualifications.

(b) A towed vehicle, other than a full trailer, pole trailer, or semitrailer, as those terms are defined in Code of Federal Regulations, title 49, section 390.5, used by a building mover to move a building on a highway is not required to comply with rules of the commissioner for equipment, parts, and accessories.

Sec. 45. Minnesota Statutes 1990, section 221.81, subdivision 4, is amended to read:

Subd. 4. [LICENSE REVOCATION, SUSPENSION, DENIAL.] The commissioner, after notice and a hearing, may revoke, suspend, or deny a license for:

(a) failure of the applicant or license holder to reimburse the road authority for damage to public highways, roads, streets, or utilities ~~which~~ that are not paid for by the license ~~holders~~ holder's insurer;

(b) conduct of the applicant or license ~~holders~~ holder that endangers the health and safety of users of the public highways, roads, streets, or utilities;

(c) conduct of the applicant or license holder that obstructs traffic in a manner other than as authorized in the permit;

(d) violation of ~~the provisions~~ of this section; ~~or~~

(e) failure to obtain *or comply with* required local moving permits or permits required by section 169.86;

(f) placing or leaving a building on property without the permission of the owner of the property or in violation of local ordinances; or

(g) abandoning a building after it is first moved under the road permit. For purposes of this subdivision, "abandon" means conduct that shows that a building mover has failed to use reasonable diligence in moving a building to the location described in the road permit.

Sec. 46. Minnesota Statutes 1991 Supplement, section 364.09, is amended to read:

364.09 [EXCEPTIONS.]

(a) This chapter ~~shall~~ does 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, or 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; to eligibility for special transportation service 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~~ *precludes* 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. 47. [EFFECTIVE DATE.]

Sections 6 and 7 are effective July 1, 1992. Section 23 is effective August 1, 1993."

Delete the title and insert:

"A bill for an act relating to transportation; making technical and clarifying changes; defining terms; providing for maximum weight per inch of tire width; modifying axle weight limitations; allowing commissioner of transportation to adopt rules assessing administrative penalties for violations of special transportation service standards; providing for regulation of motor vehicles having a gross vehicle weight of 10,000 pounds or more and operated by motor carriers; requiring certain carriers to comply with rules on driver qualifications and maximum hours of service after August 1, 1994; applying federal regulations on drug testing to intrastate motor carriers; regulating transportation of hazardous materials, substances, and waste; specifying identification information required on power units; authorizing small fee for motor carrier identification stamps; regulating building movers; authorizing release of criminal history data for purposes of special transportation license endorsements; amending Minnesota Statutes 1990, sections 169.825, subdivisions 11 and 14; 174.30, subdivision 2; 221.011, subdivisions 20, 21, 25, and by adding a subdivision; 221.021; 221.031, subdivisions 1, 2, 2a, 3, 3a, 6, and by adding subdivisions; 221.033, subdivisions 1, 2, and by adding subdivisions; 221.034, subdivisions 1 and 3; 221.035, subdivisions 1, 2, and by adding a subdivision; 221.121, subdivisions 1 and 7; 221.131, subdivisions 1, 2, and 6; 221.161, subdivision 1; 221.60, subdivision 2; 221.605, subdivision 1; and 221.81, subdivisions 2, 4, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 169.781, subdivisions 1 and 5; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 221.025; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 221."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

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.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 5, delete "or"

Page 2, line 8, before the period, insert " and

(g) to pay the state matching portion for federal grants for rail-highway grade crossing improvement projects"

Page 2, line 19, reinstate the stricken language

Page 3, delete section 4

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 10, delete " , 2a, and 4" and insert "and 2a"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 2520: A bill for an act relating to motor vehicles; allowing registrar to recover the cost of manufacturing and issuing motor vehicle license plates and stickers; crediting fees from the sale of license plates to the highway user tax distribution fund; amending Minnesota Statutes 1990, sections 168.012, by adding a subdivision; 168.042, by adding a subdivision; 168.12, subdivisions 2 and 5; 168.128, by adding a subdivision; and 168.29, Minnesota Statutes 1991 Supplement, section 168.041, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, *and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle.* Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing certain unmarked tax-exempt vehicles;"

Page 1, line 7, after the second comma, insert "subdivision 1, and"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1999: A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, 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 1991 Supplement, section 169.441, subdivision 3, is amended to read:

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections 169.442, subdivisions 2 and 3; 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

Sec. 2. Minnesota Statutes 1991 Supplement, section 169.443, subdivision 3, is amended to read:

Subd. 3. [WHEN SIGNALS NOT USED.] School bus drivers shall not activate the prewarning flashing amber signals or flashing red signals:

(1) in special school bus loading areas where the bus is entirely off the traveled portion of the roadway and where no other motor vehicle traffic is moving or is likely to be moving within 20 feet of the bus;

(2) in residential or business districts of home rule or statutory cities when directed not to do so by the local school administrator;

(3) when a school bus is being used on a street or highway for purposes other than the actual transportation of school children to or from school or a school-approved activity, *except as provided in subdivision 8;*

(4) at railroad grade crossings; and

(5) when loading and unloading people while the bus is completely off the traveled portion of a separated, one-way roadway that has adequate shoulders. The driver shall drive the bus completely off the traveled portion of this roadway before loading or unloading people.

Sec. 3. Minnesota Statutes 1991 Supplement, section 169.443, is amended by adding a subdivision to read:

Subd. 8. [SCHOOL BUSES USED FOR RECREATIONAL AND EDUCATIONAL ACTIVITY.] A school bus that transports over regular routes

and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. Notwithstanding section 169.441, subdivision 3, a school bus may provide such transportation only if (1) the "school bus" sign required by section 169.443, subdivision 3, is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used."

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. 2320: A bill for an act relating to utilities; requiring more efficient customer service by telephone companies; requiring companies to honor a request for tracing calls made to a household that has received harassing calls; 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. [237.069] [TRACERS; HARASSING TELEPHONE CALLS.]

The commission shall adopt rules to govern how telephone companies respond to requests for tracers made by persons who allege receiving harassing telephone calls. The rules must address when a request for a tracer may be denied or delayed.

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 utilities; requiring the public utilities commission to adopt rules governing telephone companies' responses to requests for tracing calls made to households that have received harassing calls; proposing coding for new law in Minnesota Statutes, chapter 237."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 2219: A bill for an act relating to education; transferring powers and responsibilities for licensing private business, trade, and correspondence schools to the higher education coordinating board; appropriating money; amending Minnesota Statutes 1990, section 141.21, by adding a subdivision; repealing Minnesota Statutes 1990, section 141.21, subdivision 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Novak from the Committee on Energy and Public Utilities, to which was referred

S.F. No. 2349: A bill for an act relating to energy; providing incentives for the use of renewable energy sources; providing tax exemptions for photovoltaic devices; amending Minnesota Statutes 1990, sections 216C.06, by adding a subdivision; and 297A.25, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 8, line 3, delete everything after "*exempt*"

Page 8, line 4, delete everything before the period

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. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2572 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.
2572	2309				

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. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 2145: A bill for an act relating to metropolitan government; permitting the metropolitan council to issue bonds for development of light rail transit; amending Minnesota Statutes 1990, section 473.39.

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.

SECOND READING OF SENATE BILLS

S.F. Nos. 2049, 2622, 2368, 1821, 2380, 1575, 1999 and 2320 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2034, 2081, 1249 and 2572 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Pogemiller moved that his name be stricken as chief author and the name of Mr. Morse be added as chief author to S.F. No. 410. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Lessard be added as a co-author to S.F. No. 2193. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 2433. The motion prevailed.

Mr. Morse moved that the name of Mr. Mondale be added as a co-author to S.F. No. 2638. The motion prevailed.

Mr. Luther moved that the name of Mr. Merriam be added as a co-author to S.F. No. 2746. 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**SUSPENSION OF RULES**

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 2145. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 2145. The motion prevailed. Report adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 720 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

March 11, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 720, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 720 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any 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;

(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; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995.

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 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.

(c) 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.

(d) 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 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. (a) Every landlord shall:

(1) within three weeks after termination of the tenancy; or

(2) 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.

(b) 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) (1) to remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) (2) to restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

(c) 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:

(1) provide a written statement within three weeks of termination of the tenancy ~~and~~;

(2) *provide a written statement 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, or*

(3) *transfer or return a deposit as required by subdivision 5,*

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 504.20, 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. 8. 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. 9. 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.*

Sec. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. [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 2

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. 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. 2. 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 3

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.~~

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 up to \$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 are elected officials or 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.*

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 other 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, 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.

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 4

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [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, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) 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;

(3) 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

(4) apply funds as permitted by clauses (1) to (3) 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. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of St. Paul.

ARTICLE 5

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 268.362, is amended to read:
268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

*Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. *The total grant**

award for any program may not exceed \$50,000 per year. In awarding grants, the commissioner must give priority to (1) organizations that are operating or have operated successfully a program; and (2) to distributing programs throughout the state. To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money.

Sec. 2. Minnesota Statutes 1990, section 268.364, subdivision 4, is amended to read:

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must ~~be included in~~ *comprise at least 20 percent of each program. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the employment market.*

Sec. 3. Minnesota Statutes 1990, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the program must be allocated in the following order:

(1) *homeless individuals who have participated in constructing, rehabilitating, or improving the unit;*

(2) *homeless families with at least one dependent;*

~~(2)~~ (3) *other homeless individuals;*

~~(3)~~ (4) *other very low income families and individuals; and*

~~(4)~~ (5) *families or individuals that receive public assistance and that do not qualify in any other priority group.*

Sec. 4. Minnesota Statutes 1990, section 566.34, subdivision 2, is amended to read:

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, clause (a), the tenant may deposit with the court administrator the rent due the owner along with a copy of the written notice of the code violation as provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, clause (b) or (c), the tenant must give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this clause.

(c) *The tenant need not deposit rent if none is due to the owner at the time the tenant otherwise files the notice required by this subdivision. All*

rent which thereafter becomes due to the owner prior to the hearing under this section must be deposited with the court administrator. As long as proceedings are pending under this section, the tenant must pay rent to the owner or as directed by the court and may not withhold rent to remedy a violation.

ARTICLE 6

HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [TRAINING AND HOUSING PROGRAM FOR HOMELESS ADULTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Eligible organization" means a nonprofit organization run by or for the homeless.

(b) "Homeless individual" or "homeless person" has the meaning given in United States Code, title 42, section 11302.

Subd. 2. [PLANNING GRANT.] The commissioner of the housing finance agency may make a planning grant to eligible organizations for programs to provide homeownership opportunities, education and training, or services to homeless adults. The program must promote individual stability and responsibility of homeless adults through training for jobs that pay a living wage, job placement, life skills development, and access to community support services including health services, counseling, and drug rehabilitation. The program must include a work experience and training component, job skills component, and life skills component.

Subd. 3. [WORK EXPERIENCE AND TRAINING COMPONENT.] The work experience and training component must provide vocational skill training in an industry where there are potential opportunities for jobs that pay a living wage. A monetary compensation may be provided to program participants. The compensation must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion of residential units for homeless persons and very low-income individuals and families. The work experience component must include work projects that provide residential units through construction or rehabilitation for the homeless and families with income that does not exceed 50 percent of the median income for the metropolitan area. The program design must include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other educational programs.

Subd. 4. [JOB SKILLS COMPONENT.] The job skills component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 5. [LIFE SKILLS COMPONENT.] The life skills component must include mentoring to develop homeownership skills, and offer or coordinate participation in parenting and citizenship classes and leadership development to encourage community involvement and responsibility."

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; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; authorizing certain economic development activities within the city of St. Paul; providing for job training for homeless persons; amending Minnesota Statutes 1990, sections 268.362; 268.364, subdivision 4; 268.365, subdivision 2; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 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; 566.34, subdivision 2; 576.01, subdivision 2; Minnesota Statutes 1991 Supplement, sections 481.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 609."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) James P. Metzen, Randy C. Kelly, John Bernhagen

House Conferees: (Signed) Karen Clark, Richard H. Jefferson, Connie Morrison

Mr. Metzen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 720 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. 720 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	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	Morse	Sams
Berg	Flynn	Knaak	Neuville	Samuelson
Berglin	Frank	Kroening	Novak	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Terwilliger
Brataas	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Lutier	Piper	Vickerman
Cohen	Hughes	Marty	Price	Waldorf

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. DeCramer moved that S.F. No. 1575, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

CALENDAR

S.F. No. 1722: A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

Was read the third time 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	Moe, R.D.	Sams
Belanger	Dicklich	Kelly	Morse	Samuelson
Benson, D.D.	Finn	Knaak	Neuville	Solon
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Gustafson	Luther	Piper	Vickerman
Brataas	Hottinger	Marty	Price	Waldorf
Chmielewski	Hughes	McGowan	Ranum	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Davis	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1862: A bill for an act relating to the city of Minneapolis; extending authority to guarantee certain loans; amending Laws 1988, chapter 594, section 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	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Moe, R.D.	Sams
Belanger	Dicklich	Kelly	Morse	Samuelson
Benson, D.D.	Finn	Knaak	Neuville	Solon
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Brataas	Hottinger	Luther	Price	Waldorf
Chmielewski	Hughes	Marty	Ranum	
Cohen	Johnson, D.E.	McGowan	Reichgott	
Davis	Johnson, D.J.	Mehrkens	Renneke	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes

reported that the committee had considered the following:

S.F. Nos. 512, 2208, 1803, 1252, 1298, 2009, 2013, 2171, 1671, 2185, 1767, 1288, 2336, 2293, 2310, 2286, 2421, 2175, 1991, 1784, 2162, 2301, 2117, 2475, 878, 2399, 2002, 2001, 2186, 1997, 1900, 2637, 2382, 2231, 2311, 2069, 2308, 2182, 2115 and H.F. Nos. 1948, 1567, which the committee recommends to pass.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS .

Mr. Moe, R.D. moved that S.F. No. 2349 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Taxes and Tax Laws. 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.

Messrs. Lessard, Morse, Merriam and Moe, R.D. introduced—

S.F. No. 2766: A resolution memorializing the President to take action at the Earth Summit to address global environmental concerns.

Referred to the Committee on Environment and Natural Resources.

Mr. Hughes introduced—

S.F. No. 2767: A bill for an act relating to education; repealing fiscal year 1991 requirements for education districts; repealing Minnesota Statutes 1991 Supplement, sections 122.94, subdivision 1a; and 124.2721, subdivisions 1a, 2a, 3b, 4a, 5a, and 5b.

Referred to the Committee on Education.

Mr. Spear introduced—

S.F. No. 2768: A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Judiciary.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 24, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-THIRD DAY

St. Paul, Minnesota, Tuesday, March 24, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Harris.

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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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	

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: Office of the Legislative Auditor, Program Evaluation Division, Higher Education Administrative and Student Services Spending: Technical Colleges, Community Colleges, and State Universities, 1992; Department of Natural Resources, Survey of Minnesota Snowmobile Clubs; Gauging Satisfaction With DNR Reimbursement Policies For Trail Grooming Expenditures, 1992; Department of Natural Resources, University of Minnesota, Gasoline Consumption By Snowmobiles Within Minnesota, 1992; Department of Jobs and Training, Youth Employment and Housing Program, 1991; Department of Military Affairs, Effectiveness of the Minnesota National Guard Incentives Program, 1992; Minnesota State Retirement System, Comprehensive Annual Report, July 1, 1990 - June 30, 1991; Department of Agriculture, Report of the Agricultural Chemical Response Compensation

Board (ACRRA Board) and the Commissioner of Agriculture, 1992; Department of Health, Residential Care Home, 1992; Minnesota State Lottery, Annual Report, 1991; Department of Employee Relations, Critical Incident Stress Debriefing in Minnesota; Minnesota Higher Education Board, Preparing for Merger, Preliminary Plan and Timetable, 1992; Department of Human Services, Compulsive Gambling Treatment Program, 1992; Metropolitan Council, Annual Contingency Assessment, Major Airport Strategy, 1991; Metropolitan Council, Major Airport Planning Activities, 1991; Department of Veterans Affairs and Minnesota Veterans Homes, Board of Directors, Long Term Care Alternatives for Veterans, 1992; Department of Human Services and the Regional Transit Board, Paratransit Advisory Committee, Findings and Recommendations for Coordination and Consolidation of Metro Mobility and Medical Assistance Special Transportation, 1992; Minnesota Sentencing Guidelines Commission, Controlled Substance Offenses, 1992; Minnesota Housing Finance Agency, Minnesota Rural and Urban Homesteading Program, 1992; Minnesota Racing Commission, Annual Report, 1991; Minnesota Veterans Homes Board, Long Range Planning Study; Department of Natural Resources, Division of Enforcement, Metro Conservation Officer Evaluation; Department of Administration, Capital Budget Reform, 1992; Department of Administration, The Dahl House, A Renovation and Potential Reuse, 1992; Department of Human Services, Licensing or Credentialing of Chemical Dependency Counselors in Minnesota, 1992; Department of Human Services, Cost of Chemical Use Assessments of Convicted Felons in Minnesota, 1992; Department of Human Services, Mental Health Report, 1992; Department of Human Services, Enhanced Reimbursement for a Huntington's Disease Unit, 1992; Department of Human Services, Illicit Drugs and African American Youth in Summit University, 1992; Department of Human Services, Recommendations for a Maximum Rate for Noncertified Boarding Care Homes, 1992; Department of Human Services, Recommendations for a Personal Care Services Licensure Rule, 1992; Department of Human Services and the Department of Health, Financial Condition of Nursing Homes, 1992; Department of Jobs and Training, Transitional Housing Program, 1991; Public Utilities Commission, Economic and Technical Review of Generating Electricity from Landfill Gas, 1992; Office of the State Auditor, Local Government Salary Study, 1991; Department of Commerce, Licensing of Specialty Contractors, Licensing Procedures, and Continuing Education Requirements, 1992.

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. 2424, 2323, 2434, 2692, 1731, 1790 and 1910. The motion prevailed.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 2728: A bill for an act relating to agriculture; establishing a dairy fund in the state treasury; imposing fees; providing for certain milk premium payments to dairy farmers; establishing a Minnesota dairy board; proposing coding for new law in Minnesota Statutes, chapter 32.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [32A.071] [CLASS I MILK PRICE.]

Subdivision 1. [PURPOSE.] It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.

Subd. 2. [MINIMUM CLASS I MILK PRICE.] The minimum price for class 1 milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class 1 use shall be not less than \$1.50 per hundredweight higher than the class 1 price specified in the applicable milk marketing order. This price shall be paid by processors of class 1 milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.

Subd. 3. [RULES.] The commissioner of agriculture shall adopt rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including maximizing the use of pooling of over-order premium payments among grade A milk producers.

Subd. 4. [REPORT.] Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class 1 milk price established under subdivision 2.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective June 1, 1992.”

Delete the title and insert:

“A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; proposing coding for new law in Minnesota Statutes, chapter 32A.”

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. 2746: A bill for an act relating to occupations and professions; board of accountancy; establishing procedures for the board to carry out disciplinary proceedings; providing penalties; amending Minnesota Statutes 1990, section 326.211, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1990, sections 326.23; and 326.231.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 522: A bill for an act relating to game and fish; prohibiting designation of experimental waters in specified counties; amending Minnesota Statutes 1990, section 97C.001, by adding a subdivision.

Reports the 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 15, is amended to read:

Subd. 15. [DESIGNATED TROUT LAKE; DESIGNATED TROUT STREAM.] “Designated trout lake” or “designated trout stream” means a lake or stream designated by the commissioner as a trout lake or a trout stream under section 97C.001 or 97C.005.

Sec. 2. [97C.007] [SOUTHEASTERN TROUT STREAMS.]

In designated trout streams located in Houston, Fillmore, Mower, Dodge, Olmsted, Winona, Wabasha, and Goodhue counties, all legal methods of taking fish are allowed, except that barbed hooks are prohibited. A hook from which the barb has been removed by crimping or filing is allowed.”

Delete the title and insert:

“A bill for an act relating to game and fish; specifying allowed methods for taking fish in certain designated trout streams; amending Minnesota Statutes 1990, section 97A.015, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 97C.”

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. 1292: A bill for an act relating to waste; establishing priorities for municipal wastewater treatment funding under the state independent grants program; amending Minnesota Statutes 1990, sections 116.16, subdivisions 2, 5, and 9a; 116.162, subdivision 7; 116.18, subdivision 3a; 116.181, subdivisions 1 and 2; and 446A.06, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 115.03, subdivision 1, is amended to read:

Subdivision 1. The agency is hereby given and charged with the following powers and duties:

(a) To administer and enforce all laws relating to the pollution of any of the waters of the state;

(b) To investigate the extent, character, and effect of the pollution of the waters of this state and to gather data and information necessary or desirable in the administration or enforcement of pollution laws, and to make such classification of the waters of the state as it may deem advisable;

(c) To establish and alter such reasonable pollution standards for any waters of the state in relation to the public use to which they are or may be put as it shall deem necessary for the purposes of this chapter and, with respect to the pollution of waters of the state, chapter 116;

(d) To encourage waste treatment, including advanced waste treatment, instead of stream low-flow augmentation for dilution purposes to control and prevent pollution;

(e) To adopt, issue, reissue, modify, deny, or revoke, enter into or enforce reasonable orders, permits, variances, standards, rules, schedules of compliance, and stipulation agreements, under such conditions as it may prescribe, in order to prevent, control or abate water pollution, or for the installation or operation of disposal systems or parts thereof, or for other equipment and facilities;

(1) Requiring the discontinuance of the discharge of sewage, industrial waste or other wastes into any waters of the state resulting in pollution in excess of the applicable pollution standard established under this chapter;

(2) Prohibiting or directing the abatement of any discharge of sewage, industrial waste, or other wastes, into any waters of the state or the deposit thereof or the discharge into any municipal disposal system where the same is likely to get into any waters of the state in violation of this chapter and, with respect to the pollution of waters of the state, chapter 116, or standards or rules promulgated or permits issued pursuant thereto, and specifying the schedule of compliance within which such prohibition or abatement must be accomplished;

(3) Prohibiting the storage of any liquid or solid substance or other pollutant in a manner which does not reasonably assure proper retention against entry into any waters of the state that would be likely to pollute any waters of the state;

(4) Requiring the construction, installation, maintenance, and operation by any person of any disposal system or any part thereof, or other equipment and facilities, or the reconstruction, alteration, or enlargement of its existing disposal system or any part thereof, or the adoption of other remedial measures to prevent, control or abate any discharge or deposit of sewage, industrial waste or other wastes by any person;

(5) Establishing, and from time to time revising, standards of performance for new sources taking into consideration, among other things, classes, types, sizes, and categories of sources, processes, pollution control technology, cost of achieving such effluent reduction, and any nonwater quality environmental impact and energy requirements. Said standards of performance for new sources shall encompass those standards for the control of the discharge of pollutants which reflect the greatest degree of effluent reduction which the agency determines to be achievable through application of the best available demonstrated control technology, processes, operating methods, or other alternatives, including, where practicable, a standard permitting no discharge of pollutants. New sources shall encompass buildings, structures, facilities, or installations from which there is or may be the discharge of pollutants, the construction of which is commenced after the publication by the agency of proposed rules prescribing a standard of performance which will be applicable to such source. Notwithstanding any other provision of the law of this state, any point source the construction of which is commenced after May 20, 1973, and which is so constructed as to meet all applicable standards of performance for new sources shall, consistent with and subject to the provisions of section 306(d) of the Amendments of 1972 to the Federal Water Pollution Control Act, not be subject to any more stringent standard of performance for new sources during a ten-year period beginning on the date of completion of such construction

or during the period of depreciation or amortization of such facility for the purposes of section 167 or 169, or both, of the Federal Internal Revenue Code of 1954, whichever period ends first. Construction shall encompass any placement, assembly, or installation of facilities or equipment, including contractual obligations to purchase such facilities or equipment, at the premises where such equipment will be used, including preparation work at such premises;

(6) Establishing and revising pretreatment standards to prevent or abate the discharge of any pollutant into any publicly owned disposal system, which pollutant interferes with, passes through, or otherwise is incompatible with such disposal system;

(7) Requiring the owner or operator of any disposal system or any point source to establish and maintain such records, make such reports, install, use, and maintain such monitoring equipment or methods, including where appropriate biological monitoring methods, sample such effluents in accordance with such methods, at such locations, at such intervals, and in such a manner as the agency shall prescribe, and providing such other information as the agency may reasonably require;

(8) Notwithstanding any other provision of this chapter, and with respect to the pollution of waters of the state, chapter 116, requiring the achievement of more stringent limitations than otherwise imposed by effluent limitations in order to meet any applicable water quality standard by establishing new effluent limitations, based upon section 115.01, subdivision 5, clause (b), including alternative effluent control strategies for any point source or group of point sources to insure the integrity of water quality classifications, whenever the agency determines that discharges of pollutants from such point source or sources, with the application of effluent limitations required to comply with any standard of best available technology, would interfere with the attainment or maintenance of the water quality classification in a specific portion of the waters of the state. Prior to establishment of any such effluent limitation, the agency shall hold a public hearing to determine the relationship of the economic and social costs of achieving such limitation or limitations, including any economic or social dislocation in the affected community or communities, to the social and economic benefits to be obtained and to determine whether or not such effluent limitation can be implemented with available technology or other alternative control strategies. If a person affected by such limitation demonstrates at such hearing that, whether or not such technology or other alternative control strategies are available, there is no reasonable relationship between the economic and social costs and the benefits to be obtained, such limitation shall not become effective and shall be adjusted as it applies to such person;

(9) Modifying, in its discretion, any requirement or limitation based upon best available technology with respect to any point source for which a permit application is filed after July 1, 1977, upon a showing by the owner or operator of such point source satisfactory to the agency that such modified requirements will represent the maximum use of technology within the economic capability of the owner or operator and will result in reasonable further progress toward the elimination of the discharge of pollutants;

(f) To require to be submitted and to approve plans and specifications for disposal systems or point sources, or any part thereof and to inspect the construction thereof for compliance with the approved plans and specifications thereof;

(g) To prescribe and alter rules, not inconsistent with law, for the conduct of the agency and other matters within the scope of the powers granted to and imposed upon it by this chapter and, with respect to pollution of waters of the state, in chapter 116, provided that every rule affecting any other department or agency of the state or any person other than a member or employee of the agency shall be filed with the secretary of state;

(h) To conduct such investigations, issue such notices, public and otherwise, and hold such hearings as are necessary or which it may deem advisable for the discharge of its duties under this chapter and, with respect to the pollution of waters of the state, under chapter 116, including, but not limited to, the issuance of permits, and to authorize any member, employee, or agent appointed by it to conduct such investigations or, issue such notices and hold such hearings;

(i) For the purpose of water pollution control planning by the state and pursuant to the Federal Water Pollution Control Act, as amended, to establish and revise planning areas, adopt plans and programs and continuing planning processes, including, but not limited to, basin plans and areawide waste treatment management plans, and to provide for the implementation of any such plans by means of, including, but not limited to, standards, plan elements, procedures for revision, intergovernmental cooperation, residual treatment process waste controls, and needs inventory and ranking for construction of disposal systems;

(j) To train water pollution control personnel, and charge such fees therefor as are necessary to cover the agency's costs. All such fees received shall be paid into the state treasury and credited to the pollution control agency training account;

(k) To impose as additional conditions in permits to publicly owned disposal systems appropriate measures to insure compliance by industrial and other users with any pretreatment standard, including, but not limited to, those related to toxic pollutants, and any system of user charges ratably as is hereby required under state law or said Federal Water Pollution Control Act, as amended, or any regulations or guidelines promulgated thereunder;

(l) To set a period not to exceed five years for the duration of any National Pollutant Discharge Elimination System permit;

(m) To require ~~a each governmental subdivision that owns or operates identified as a permittee for a wastewater disposal system~~ *treatment works to have a plan to address its ability to pay the costs of making major repairs to the annually evaluate the condition of its existing system and planning and constructing an adequate replacement system at the end of the existing system's expected useful life identify future capital improvements that will be needed to attain or maintain compliance with a national pollutant discharge elimination system or state disposal system permit; and*

(n) To train individual sewage treatment system personnel, including persons who design, construct, install, inspect, service, and operate individual sewage treatment systems, and charge fees as necessary to pay the agency's costs. All fees received must be paid into the state treasury and credited to the agency's training account. Money in the account is appropriated to the agency to pay expenses related to training.

The information required in clause (m) must be submitted annually to the commissioner on a form provided by the commissioner. The commissioner

shall provide technical assistance if requested by the governmental subdivision.

Sec. 2. [116.182] [FINANCIAL ASSISTANCE PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Agency" means the pollution control agency.

(c) "Authority" means the public facilities authority established in section 446A.03.

(d) "Commissioner" means the commissioner of the pollution control agency.

(e) "Essential project components" means those components of a wastewater disposal system that are necessary to convey or treat a municipality's existing wastewater flows and loadings, and future wastewater flows and loadings based on the projected residential growth of the municipality for a 20-year period.

(f) "Municipality" means a county, home rule charter or statutory city, or town; the metropolitan waste control commission established in chapter 473; the metropolitan council when acting under the provisions of chapter 473; an Indian tribe or an authorized Indian tribal organization; or any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state.

Subd. 2. [APPLICABILITY.] This section governs the commissioner's certification of applications for financial assistance under section 446A.07 or 446A.071.

Subd. 3. [PROJECT REVIEW.] The commissioner shall review a municipality's proposed project and financial assistance application to determine whether they meet the criteria in this section and the rules adopted under this section. The review must include a determination of the essential project components.

Subd. 4. [CERTIFICATION OF APPROVED PROJECTS.] The commissioner shall certify to the authority each approved application, including a statement of the essential project components and associated costs.

Subd. 5. [RULES.] The agency shall adopt rules for the administration of the financial assistance program. The rules must include:

(1) application requirements;

(2) criteria for the ranking of projects in order of priority based on factors including the type of project and the degree of environmental impact; and

(3) criteria for determining essential project components.

Subd. 6. [TRANSFER OF FUNDS.] As the projects in the programs specified under section 116.18, except the program under subdivision 3c of that section, are completed, any amounts remaining from appropriations for the programs are appropriated to the authority for the wastewater infrastructure funding program in section 446A.071, provided this use of the funds does not violate applicable provisions of any bond or note resolutions, indentures, or other instruments, contracts, or agreements associated with the source of the funds.

Sec. 3. Minnesota Statutes 1990, section 446A.04, subdivision 5, is

amended to read:

Subd. 5. [FEES.] The authority may set and collect fees for costs incurred by the authority, *the commissioner, or the pollution control agency, including costs for personnel and administrative services*, for its financings and the establishment and maintenance of reserve funds. *Fees charged directly to borrowers upon executing a loan agreement must not exceed one-half of one percent of the loan amount. Servicing fees assessed to loan repayments must not exceed two percent of the loan repayment. Fees collected under this subdivision must be deposited in the state treasury and credited to the general fund.*

Sec. 4. [446A.071] [WASTEWATER INFRASTRUCTURE FUNDING PROGRAM.]

Subdivision 1. [ESTABLISHMENT OF THE PROGRAM.] (a) The authority shall establish the wastewater infrastructure funding program to provide supplemental assistance, as provided in rules of the authority, to municipalities that receive loans or other assistance from the water pollution control revolving fund under section 446A.07.

(b) The authority may secure funds for the wastewater infrastructure funding program through state appropriations; any source identified in section 446A.04 which may be designated by the authority for the purposes of this section; and any federal funding appropriated by Congress that may be used for the purposes of this section.

(c) The authority may set aside up to ten percent of the money appropriated to the wastewater infrastructure funding program for wastewater projects that are necessary to accommodate economic development projects.

Subd. 2. [SUPPLEMENTAL ASSISTANCE.] *The authority may provide supplemental assistance under this section in the form of loans; write-down of principal, interest, or both; or direct grants, as determined by authority rules. The amount and form of the supplemental assistance must be based on the authority's determination of the financial capability of the municipality, the municipality's eligibility to qualify for other grant programs, and the source of funds.*

Subd. 3. [PROGRAM ADMINISTRATION.] *The authority may provide supplemental assistance to municipalities demonstrating financial need whose applications have been certified by the commissioner of the agency under section 116.182. The authority shall provide supplemental assistance according to the priority ranking established by the agency except for amounts set aside under subdivision 1, paragraph (c). The authority shall assist municipalities in securing other funding from appropriate sources. The authority shall not award financial assistance under this section unless it determines that the total project financing will be in place.*

Subd. 4. [FUNDING LEVEL.] *(a) The authority may provide supplemental assistance for essential project components and costs as certified by the commissioner of the agency under section 116.182, subdivision 4, only if the loan or other financial assistance under section 446A.07 is not sufficient to provide financing for that portion of the project. The authority shall take into account the ability of significant wastewater contributors to pay their fair share of the total project costs in determining eligibility of costs for supplemental assistance.*

(b) When feasible, the authority shall coordinate and leverage assistance

under the wastewater infrastructure funding program with other grant programs for which the municipality is eligible.

(c) Requirements under paragraph (a) do not apply to the economic development set-aside under subdivision 1, paragraph (c).

Subd. 5. [APPLICATIONS.] Applications for supplemental assistance must be made to the authority on forms prescribed by the authority and must include information identified in the rules of the authority and the agency. The authority shall forward an application to the agency within ten days of receipt. The commissioner of the agency shall review the projects and applications to determine if they meet the criteria set forth in section 2 and the agency rules for the program. The commissioner of the agency shall certify approved applications to the authority under section 116.182.

Subd. 6. [PAYMENTS.] Payments from the wastewater infrastructure funding program must be made in accordance with applicable state and federal laws and rules of the authority governing such payments.

Subd. 7. [RULES.] The commissioner of trade and economic development shall adopt rules establishing procedures for the administration of the wastewater infrastructure funding program. The rules must include:

(1) procedures for the administration of the financial assistance program, including application procedures;

(2) provisions establishing eligible uses of funds, forms of assistance, payments, and reporting requirements; and

(3) criteria for determining the amount of supplemental assistance, which must include consideration of: social, economic, and demographic considerations; sewer service charges; financial management; and the ability of significant wastewater contributors to pay their fair share of the costs without supplemental assistance.

Subd. 8. [TRANSFER OF APPROPRIATIONS.] As the projects in the programs specified under section 116.18 are completed, any amounts remaining from appropriations for the programs are appropriated to the authority for the wastewater infrastructure funding program, provided this use does not violate applicable provisions of any bond or note resolutions, indentures, or other instruments, contracts, or agreements associated with the source of the funds.

Sec. 5. [APPROPRIATION ALLOCATION.]

Up to \$50,000 of funds appropriated under Laws 1990, chapter 594, article 1, section 22, paragraph (c), may be awarded to a municipality or sanitary district for advanced alternative on-site treatment system demonstration projects in sensitive groundwater areas. The amount awarded must be matched by an equal amount of local funds from the municipality or sanitary district."

Delete the title and insert:

"A bill for an act relating to wastewater treatment funding; requiring governmental subdivisions to evaluate annually their wastewater disposal system needs; establishing a program of supplemental financial assistance for the construction of municipal wastewater disposal systems; expanding the authority of the public facilities authority to set and collect fees; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; and 446A.04, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters

116; and 446A.”

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. 1805: A bill for an act relating to human services: requiring reporting of legally blind persons to Minnesota state services for the blind and visually handicapped; proposing coding for new law in Minnesota Statutes, chapter 248.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [248.011] [REPORTING OF NEWLY BLINDED INDIVIDUAL.]

Subdivision 1. [DUTY TO REPORT.] Whenever an ophthalmologist or optometrist makes an initial diagnosis of legal blindness as defined in section 256D.35, subdivision 4a, the ophthalmologist or optometrist shall advise the client that services are available through Minnesota state services for the blind and visually handicapped. After obtaining client consent, the ophthalmologist or optometrist shall report the name of the legally blind client to Minnesota state services for the blind and visually handicapped. The report must be filed with Minnesota state services for the blind and visually handicapped within 30 days following a diagnosis of legal blindness after obtaining client consent.

Subd. 2. [DUTIES OF MINNESOTA STATE SERVICES FOR THE BLIND AND VISUALLY HANDICAPPED.] Upon receipt of the name of a legally blind individual, Minnesota state services for the blind and visually handicapped shall contact the newly blind individual within 30 days and provide a complete summary of available services to the blind individual, in media accessible to the individual.

Sec. 2. Minnesota Statutes 1990, section 248.07, subdivision 1, is amended to read:

Subdivision 1. [COOPERATION.] It shall be the duty of the commissioner of jobs and training, referred to in this section and sections 248.10 and 248.11 as the commissioner, to develop and administer programs serving the needs of blind and visually handicapped persons and to cooperate with state and local boards and agencies both public and private. The commissioner shall create a distinct organizational unit to be known as *the division of services for the blind and visually handicapped*, separate from the vocational rehabilitation unit and with its own activity budget, within the department of jobs and training to provide and coordinate services to the blind.

Sec. 3. Minnesota Statutes 1990, section 248.07, subdivision 5, is amended to read:

Subd. 5. [AIDS.] The commissioner shall further be empowered to aid the blind: (1) By home instruction and training; (2) by assisting them in securing tools, appliances, and supplies; (3) by any other practicable means of improving their social, economic, or educational condition; and (4) by providing to eligible persons, or purchasing for sale at cost plus handling

charges, special materials and supplies needed by blind or visually handicapped persons that are difficult to obtain elsewhere; and (5) by promoting literacy and access to print materials through production of alternative reading formats such as Braille, audio tapes, radio signals, newspaper reading services, and other services originating from the division's communication center. Equipment may be leased or sold under written rehabilitation plans at cost plus handling charges to persons who wish to lease or purchase them. Receipts under this subdivision, as well as gifts to aid the blind, are subject to section 268.0121, subdivision 5.

Sec. 4. Minnesota Statutes 1990, section 248.10, subdivision 2, is amended to read:

Subd. 2. [REMOVAL; VACANCIES; EXPIRATION.] The compensation, removal of members, and filling of vacancies on the council are as provided in section 15.0575. ~~The council expires on June 30, 1993.~~

Delete the title and insert:

"A bill for an act relating to human services; requiring reporting of legally blind persons to Minnesota state services for the blind and visually handicapped; modifying the duties of the commissioner of jobs and training; removing a council's expiration date; amending Minnesota Statutes 1990, sections 248.07, subdivisions 1 and 5; and 248.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 248."

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. 2084: A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; amending Minnesota Statutes 1991 Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 11, delete "4,000 hours" and insert "two years"

Page 3, line 20, delete "4,000 hours" and insert "two years"

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. 2707: A bill for an act relating to human services; prohibiting restrictions on the right to provide licensed day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [STUDY OF RESTRICTIONS ON RIGHT TO PROVIDE LICENSED DAY CARE.]

The commissioner of human services shall submit a report to the legislature by December 1, 1992, on the feasibility and desirability of prohibiting deeds; covenants; housing, condominium, or townhouse association bylaws, declarations, or rules; leases, rental agreements, or rules for manufactured home park lots or other rental property; or other conveyance instruments from placing restrictions on use of residential property that would prevent a person from providing family or group family day care services for which the person is licensed under Minnesota Rules, parts 9502.0300 to 9502.0445. In completing a study and reporting the report, the commissioner shall consider the need for exceptions for:

(1) owner-occupied rental property with no more than two units, including the owner-occupied unit; and

(2) housing for older persons, as defined in United States Code, title 42, section 3607(b), as amended through December 31, 1991."

Amend the title as follows:

Page 1, line 2, delete "prohibiting" and insert "requiring a study on"

Page 1, line 3, delete "; proposing" and insert a period

Page 1, delete line 4

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. 2234: A bill for an act relating to occupations and professions; modifying disciplinary requirements of the board of social work; allowing the issuance of practice permits; clarifying requirements for changes in licensure level; providing penalties; amending Minnesota Statutes 1990, sections 148B.04, by adding a subdivision; 148B.15; 148B.18, subdivisions 9 and 12; 148B.21, subdivision 2, and by adding subdivisions; 148B.22, subdivision 2; 148B.27, subdivision 3; 148B.28, subdivision 2; Minnesota Statutes 1991 Supplement, sections 148B.04, subdivision 3; 148B.05, subdivision 1; 148B.07, subdivision 3; 148B.08, subdivision 1, and by adding a subdivision; and 148B.175, subdivisions 3, 4, 5, and 8; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, section 148B.05, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 7, line 16, delete "holds a current social work license from" and insert "is licensed or certified to practice social work in Minnesota or"

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. 1700: A bill for an act relating to family law; modifying the requirements for a person other than a parent who seeks child custody or visitation; amending Minnesota Statutes 1990, section 518.156, subdivision 1.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 2, line 7, delete “*child custody or*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1782: A bill for an act relating to human services; clarifying and expanding restrictions on giving away assets or income to gain eligibility for medical assistance; requiring an institutionalized spouse on medical assistance to use available income and assets for health care and personal needs; permitting medical assistance liens against real property; prohibiting trust clauses that make trust assets unavailable to a beneficiary if the beneficiary becomes eligible for medical assistance; requiring a report; amending Minnesota Statutes 1990, sections 256B.059, subdivision 5; 256B.0595, subdivision 1; 256B.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 501B.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 3 and 4, delete section 3

Page 4, line 13, delete “PROHIBITED” and insert “UNENFORCEABLE”

Page 4, line 16, delete everything before “if”

Page 4, delete section 5 and insert:

“Sec. 4. [514.801] [MEDICAL ASSISTANCE LIENS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 4 to 9.

Subd. 2. [LONG-TERM CARE SERVICES.] “Long-term care services” includes nursing facility services, and home and community-based services provided pursuant to section 256B.491.

Subd. 3. [MEDICAL ASSISTANCE AGENCY.] “Medical assistance agency” or “agency” means the state or any county medical assistance agency that provides a medical assistance benefit.

Subd. 4. [MEDICAL ASSISTANCE BENEFIT.] “Medical assistance benefit” means any benefit provided under authority of chapter 256B to a person while in a medical institution as defined in section 256B.15, subdivision 1, clause (b).

Subd. 5. [MEDICAL ASSISTANCE LIEN.] “Medical assistance lien” means a lien established under section 5.

Subd. 6. [MEDICAL ASSISTANCE RECIPIENT.] “Medical assistance recipient” means a person who has received medical assistance benefits.

Subd. 7. [SPOUSE.] “Spouse” means the spouse of a medical assistance recipient.

Sec. 5. [514.802] [MEDICAL ASSISTANCE LIEN.]

Subdivision 1. [PROPERTY SUBJECT TO LIEN; LIEN AMOUNT.] (a) Subject to the limitations and restrictions contained in sections 4 to 9, all

payments made by a medical assistance agency to provide medical assistance benefits to any medical assistance recipient who owns property in this state, or to the spouse, constitute a lien in favor of the agency upon all real property that:

(1) was owned by the medical assistance recipient at the time the medical assistance benefits were provided; or

(2) was acquired by the medical assistance recipient after the time the medical assistance lien was filed.

(b) The amount of the lien is limited to the same extent as a claim against the estate pursuant to section 256B.15, subdivision 2.

Subd. 2. [ATTACHMENT.] (a) Subject to the other limitations and restrictions contained in sections 4 to 9, a medical assistance lien does not attach to or become enforceable against specific real property until the first date when the following conditions have been fulfilled:

(1) payments have been made by an agency for a medical assistance benefit;

(2) the medical assistance recipient or that person's legal representative, if any, and the spouse or the spouse's legal representative, if any, have been sent, by certified or registered mail, written notice of the agency's lien rights;

(3) a lien notice has been filed as provided in section 6;

(4) if the property is registered property, the lien notice has been recorded on the certificate of title of the property affected by the lien notice; and

(5) all restrictions against enforcement have ceased to apply.

(b) No agency may file a medical assistance lien notice against any real property owned by the medical assistance recipient until the medical assistance recipient or that person's legal representative, if any, and the spouse or the spouse's legal representative, if any, have been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing.

(c) No agency may file a medical assistance lien notice against any real property while it is the homestead of the medical assistance recipient until the agency has determined, after notice has been given in compliance with paragraph (a), clause (2), and opportunity for hearing in accordance with section 256.045, that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution to return home;

(d) No agency may file a medical assistance lien notice against any real property while it is the home of the spouse.

(e) No agency may file a medical assistance lien notice against any property that was the homestead of the medical assistance recipient or the spouse prior to the medical assistance recipient's receipt of long-term care services and in which any of the following is lawfully residing:

(1) the child of the medical assistance recipient or of the spouse if the child is under age 21 or is blind or permanently and totally disabled according to the supplemental security income criteria;

(2) the child or grandchild of the medical assistance recipient if the child or grandchild resided in the homestead for a period of at least two years immediately before the date the medical assistance recipient began receiving

long-term care services, and if the child or grandchild provided care to the medical assistance recipient which permitted the recipient not to require long-term care services; or

(3) the sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided upon the property for a period of at least one year immediately before the date the medical assistance recipient began receiving long-term care services.

Subd. 3. [CONTINUATION OF LIEN NOTICE AND LIEN.] A medical assistance lien notice remains effective from the time it is filed until it can properly be disregarded under sections 4 to 9. A medical assistance lien that has attached to specific real property continues until the lien is satisfied, becomes totally unenforceable through operation of the limitations specified in subdivision 6, or is released and discharged in full under subdivision 5.

Subd. 4. [LIEN PRIORITY.] A medical assistance lien is subject to the rights of any other person, including an owner, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest is perfected before a lien notice has been filed as provided in section 6. The rights of the other person must be afforded the same protections against a medical assistance lien as are afforded against a judgment lien that arises out of an unsecured obligation and that arises as of the time of the filing of the medical assistance lien notice as provided in section 6. A medical assistance lien is inferior to any lien for taxes or special assessments or other lien that would be superior to the perfected lien of a judgment creditor.

Subd. 5. [RELEASE.] (a) The agency that files a medical assistance lien notice shall release and discharge the lien in full if:

(1) the medical assistance recipient is discharged from the medical institution and returns home;

(2) the medical assistance lien is satisfied;

(3) a legally enforceable agreement satisfactory to the agency has been executed providing for reimbursement of the agency for the amount or amounts secured by the lien;

(4) the agency has already received reimbursement for the amount or amounts secured by the lien; or

(5) the medical assistance recipient, if single, or the surviving spouse, has died, and no claim can be filed against the estate of the decedent pursuant to section 256B.15, subdivision 3.

(b) Upon request, the agency that files a medical assistance lien notice shall release a specific parcel of real property from the lien if:

(1) any of the conditions specified in paragraph (a) applies;

(2) the property is or has been the spouse's homestead, or the property is or was attributed to the spouse according to section 256B.059, subdivision 3 or 4, and the spouse is not receiving medical assistance benefits;

(3) the property would be exempt from a claim against the estate pursuant to section 256B.15, subdivision 4;

(4) the agency receives reimbursement, or other collateral sufficient to secure payment of reimbursement, in an amount equal to the lesser of the amount secured by the lien, or the amount the agency would be allowed to recover upon enforcement of the lien against the specific parcel of property,

if the agency attempted to enforce the lien on the date of the request to release the lien; or

(5) there is insufficient equity in the property to provide any reimbursement to the agency after making an allowance for all taxes, assessments, and other proper charges that are or would be superior to the lien rights of the agency and that would become due and payable if the property were to be sold.

(c) The agency that files a medical assistance lien notice may release the lien if the attachment or enforcement of the lien is determined by the agency to be contrary to the public interest.

(d) The agency that files a medical assistance lien notice shall execute the release of the lien and file the release as provided in section 6, subdivision 2.

Subd. 6. [TIME LIMITS; CLAIM LIMITS.] (a) A medical assistance lien ceases to be enforceable against specific real property if any of the following occurs:

(1) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within 18 months of the agency's receipt of notice of the death of the medical assistance recipient or the death of the surviving spouse, whichever death occurs later; or

(2) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within three years of the death of the medical assistance recipient or the death of the surviving spouse, whichever death occurs later. This limitation is tolled during any period when the provisions of section 7, subdivision 2, apply to delay enforcement of the lien.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part in accordance with the priority of claims established by chapters 256B and 524. The agency's lien remains enforceable to the extent that assets are available to satisfy the agency's lien, subject to the priority of other claims, and to the extent that the agency's claim is allowed against the estate under chapters 256B and 524.

Sec. 6. [514.803] [MEDICAL ASSISTANCE LIEN NOTICE.]

Subdivision 1. [CONTENTS.] A medical assistance lien notice must be dated and must contain:

(1) the full name, last known address, and social security number of the medical assistance recipient and the full name, address, and social security number of the spouse, if any;

(2) a statement that medical assistance payments have been made to or for the benefit of the person named in the notice, or that person's spouse, specifying the first date of payment of benefits;

(3) a statement that all interests in real property owned by the persons named in the notice may be subject to or affected by the rights of the agency to be reimbursed for medical assistance benefits;

(4) the legal description of the real property upon which the lien attaches, and whether the property is registered property;

(5) a statement that upon the death of the last survivor of the persons named in the notice, a medical assistance lien will attach and become enforceable against all described real property that is owned by the persons named in the notice on the date of the filing of the notice and upon all real property acquired by the person after the date of filing of the notice, subject to the limitations and exceptions provided by law.

Subd. 2. [FILING.] Any notice, release, or other document required to be filed under sections 4 to 9 must be filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real property is located. An attestation, certification, or acknowledgment is not required as a condition of filing. Upon filing of a medical assistance lien notice, the registrar of titles shall record it upon the certificate of title of each parcel of property affected by the lien notice. The county recorder of each county shall establish an index of medical assistance lien notices, other than those that affect only registered property, showing the names of all persons named in the medical assistance lien notices filed in the county, arranged alphabetically. The index must be combined with the index of state tax lien notices. The filing or mailing of any notice, release, or other document under sections 4 to 9 is the responsibility of the agency. The agency shall also send a copy of the medical assistance lien notice by registered or certified mail to each record owner and mortgagee of the real property.

Sec. 7. [514.804] [LIEN ENFORCEMENT; LIMITATION.]

Subdivision 1. [FORECLOSURE PROCEDURE.] Subject to the provisions of subdivision 2, a medical assistance lien may be enforced by the agency that filed it by foreclosure in the manner provided for foreclosure of a judgment lien under chapter 550.

Subd. 2. [HOMESTEAD PROPERTY.] (a) A medical assistance lien may not be enforced against homestead property of the medical assistance recipient or the spouse while it remains the lawful residence of the medical assistance recipient or the spouse.

(b) A medical assistance lien remains enforceable as provided in sections 4 to 9, notwithstanding any law limiting the enforceability of a judgment.

Sec. 8. [514.805] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

Nothing in sections 4 to 9 limits the right of an agency to file a claim against the estate of a medical assistance recipient or the estate of the spouse or limits any other claim for reimbursement of agency expenses or the availability of any other remedy provided to the agency under other law.

Sec. 9. [514.806] [AMOUNTS RECEIVED TO SATISFY LIEN.]

Amounts received by the state to satisfy all or a part of a medical assistance lien filed by the state must be deposited in the state treasury and credited to the fund from which the medical assistance payments were made. Amounts received by a county medical assistance agency to satisfy all or a part of a medical assistance lien filed by the county medical assistance agency must be deposited in the county treasury and credited to the fund from which the medical assistance payments were made."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "requiring a report;"

Page 1, line 13, delete "256B.15, by adding a subdivision;"

Page 1, line 15, delete "chapter 501B" and insert "chapters 501B; and 514"

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. 1763: A bill for an act relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

H.F. No. 1416: A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1990, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 45.025, subdivision 7.

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. 2413: A bill for an act relating to corporations; regulating registrations of domestic corporations with the secretary of state; amending Minnesota Statutes 1990, section 302A.821, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 21, after "*corporation*" insert "*and its shareholders*" in both places

Page 3, line 22, delete "*those*" and insert "*to the extent that assets or rights were affected by acts occurring after the dissolution or*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2418: A bill for an act relating to retirement; St. Paul police relief association; validating a change in the date on which personal and benefit payments are made.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 15, after "*for*" insert "*the balance of*"

Page 1, lines 13 and 17, delete "*first*" and insert "*20th*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2700: A bill for an act relating to the department of employee relations; public employment; removing a committee's expiration date; modifying retirement program options; expanding a bidding requirement exemption; amending Minnesota Statutes 1990, section 43A.316, subdivisions 4, 6, and 10; Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 8; repealing Laws 1990, chapter 589, article 2, section 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2729: A bill for an act relating to state government; creating a legislative commission on occupational regulation; revising state policy on occupational regulation; appropriating money; amending Minnesota Statutes 1990, section 214.001, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 3.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2242: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers and surviving spouses in the city of Thief River Falls.

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. 2434: A bill for an act relating to retirement; providing continued coverage in the Minnesota state retirement system for certain employees; amending Minnesota Statutes 1990, sections 352.01, subdivision 2a; and 352.04, subdivision 6.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2467: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; amending Laws 1943, chapter 196, section 4, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 19, strike everything after the first comma

Page 2, strike line 20

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "repealing a surviving spouse remarriage penalty;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2523: A bill for an act relating to human services; providing for HIV minimum standards; providing for HIV training in chemical dependency treatment programs; expanding exclusion from licensure; providing for integration of residential programs; delegating authority to enforce uniform fire code; setting adult foster care license capacity; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 245A.07, subdivisions 2 and 3; 245A.11, subdivisions 2, 3, 4, and by adding subdivisions; 299F011, subdivision 4a; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivision 3; 245A.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.17.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 26, after "(a)" insert "*After the commissioner has adopted appropriate rules,*"

Page 11, line 29, delete everything after the period

Page 11, delete lines 30 and 31

Page 12, delete lines 17 and 18

Page 13, line 11, delete "*section*" and insert "*chapter*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2530: A bill for an act relating to the city of Virginia; authorizing annual increases in survivor benefits payable by the Virginia firefighters relief association.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 11, after "*percentage*" insert "*salary*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2581: A bill for an act relating to retirement; providing level benefits for members of the Minneapolis fire department relief association.

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. 2628: A bill for an act relating to public safety officers; defining firefighters for purposes of the public safety officer's survivor benefits law; providing education benefits under the survivor law to eligible dependents attending technical colleges; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; Minnesota Statutes 1991 Supplement, section 299A.45, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, delete "*disposal*" and insert "*responder*"

Page 2, delete section 2 and insert:

"Sec. 2. [EFFECTIVE DATE.]

• *Section 1 is effective the day following final enactment.*"

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete everything before "amending"

Page 1, line 7, delete the semicolon and insert a period

Page 1, delete lines 8 and 9

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2644: A bill for an act relating to state government; requiring state agencies to act on permit and license applications within 60 days; proposing coding for new law in Minnesota Statutes, chapter 15.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 9, delete "*must*" and insert "*shall*"

Page 1, line 11, delete "*shorter*" and insert "*different*"

Page 1, line 12, after the period, insert "*Failure to act on an application within the time specified is deemed approval of the application.*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2692: A bill for an act relating to energy; providing that energy providers may solicit contributions from customers for fuel funds that distribute emergency energy assistance to low-income households; establishing a statewide fuel fund in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 26, delete "POLICY" and insert "ADVISORY"

Page 2, line 27, delete "*a policy*" and insert "*an advisory*"

Page 2, lines 29, 32, and 35, delete "*policy*" and insert "*advisory*"

Page 3, line 2, delete everything after the period

Page 3, delete line 3

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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2764: A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain employee of independent school district No. 197.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 672: A bill for an act relating to human services; the Minnesota equal access to employment opportunities for persons with severe disabilities act; providing for equal employment opportunities for persons with severe disabilities; establishing rights; appropriating money; amending Minnesota Statutes 1990, sections 43A.191, subdivision 2; 268A.08, subdivision 2; and 268A.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 18 to 28

Page 2, delete lines 1 to 16 and insert:

"In collaboration with the commissioners of jobs and training, human services, and trade and economic development, the commissioner shall identify contracts for the purchase of goods and services from certified rehabilitation facilities and day training and habitation services that will enhance employment opportunities for persons with severe disabilities that result in additional total sales volume of \$1,600,000 by July 1, 1995."

Page 3, delete lines 5 to 8 and insert:

“(d) The agency plan must identify, annually, any positions in the agency that can be used for supported employment as defined in section 268A.01, subdivision 13, of persons with severe disabilities. The agency shall report this information to the commissioner. An agency that hires more than one supported worker in the identified positions must receive recognition for each supported worker toward meeting the agency's affirmative action goals and objectives.”

Page 4, line 31, delete “1992” and insert “1993”

Page 5, line 19, delete “APPROPRIATION” and insert “APPROPRIATIONS”

Page 5, after line 22, insert:

“\$ is appropriated from the general fund to the commissioner of jobs and training to be used for reimbursement to agencies for the costs of hiring supported workers under section 3, paragraph (d), for up to one year.”

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. 1731: A bill for an act relating to public employment; requiring public employers to include certain former employees in the same insurance pool as active employees; amending Minnesota Statutes 1990, sections 43A.27, subdivision 3; and 471.61, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 26, insert:

“(j) Except for those employees covered by section 179A.16, subdivision 9, unless otherwise provided by a collective bargaining agreement, any additional premium cost from inclusion of retired employees must be paid by active employees through payroll deductions.”

Page 3, line 31, after the period, insert *“Sections 1 and 2 do not apply to a person who became a former employee before the effective date of sections 1 and 2, unless the person has continuously participated in the employer-sponsored insurance group since leaving employment.”*

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. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1790: A bill for an act relating to housing; modifying requirements for lead education, assessment, screening, and abatement; transferring rule authority from the commissioner of the pollution control agency to the commissioner of health; establishing a lead abatement account in the housing development fund; creating a lead abatement and training program; establishing a lead abatement program; creating a lead fund; establishing a lead abatement fee on petroleum storage tanks; establishing a paint tax; providing

penalties; amending Minnesota Statutes 1990, sections 144.871, subdivisions 3, 6, 8, and by adding subdivisions; 144.872, subdivisions 1, 2, 3, 4, and by adding a subdivision; 144.873, subdivisions 2 and 3; 144.874, subdivision 4; 144.876; 144.878, subdivision 2, and by adding a subdivision; and 462A.21, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144.871, subdivision 2; 144.873, subdivision 1; 144.874, subdivisions 1, 2, 3, and 12; 326.87, subdivision 1; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapters 115C; 144; and 268; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 7, after the comma, insert "*soil*,"

Page 11, line 22, reinstate the stricken "the pollution"

Page 11, line 23, reinstate the stricken language and delete the new language

Page 13, delete section 26

Page 13, line 15, delete "27" and insert "26"

Page 13, line 16, delete the second comma

Page 13, line 17, delete "*subdivision 1*"

Page 24, line 5, delete the comma

Page 24, line 6, delete everything before "*for*"

Page 24, line 24, delete "*gross*"

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "health;"

Page 1, line 25, delete ", subdivision 1"

And when so amended the bill do pass and be re-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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2037: A bill for an act relating to public employment; requiring the commissioner of the bureau of mediation services to adopt a uniform baseline determination document and a uniform collective bargaining agreement settlement document and rules relating to the use of these documents; amending Minnesota Statutes 1990, section 179A.04, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 25 to 31 and insert:

“(m) adopt, subject to chapter 14, uniform baseline determination documents and uniform collective bargaining agreement settlement documents applicable to all negotiations between exclusive representatives of appropriate units of public employees and public employers and prescribe procedures and instructions for completion of the documents. A completed uniform collective bargaining agreement settlement document must be presented to the public employer at the time it ratifies a collective bargaining agreement and must be available afterward for inspection during normal business hours at the principal administrative offices of the public employer.

Sec. 2. [INITIAL USE OF DOCUMENTS.]

The uniform baseline determination documents and uniform collective bargaining agreement settlement documents prescribed by section 1, paragraph (m), must be used by public employers defined in Minnesota Statutes, section 124A.22, subdivision 2a, for negotiating collective bargaining agreements effective after June 30, 1993, and by all other public employers for negotiating collective bargaining agreements effective after December 31, 1993.”

Amend the title as follows:

Page 1, line 6, delete “rules relating to” and insert “to prescribe procedures for”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2292: A bill for an act relating to state agencies; providing that agency heads may not delegate affirmative action duties; amending Minnesota Statutes 1990, section 43A.191, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, strike “administratively and”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2660: A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, reinstate the stricken language and delete the new language

Page 1, line 14, reinstate the stricken “the commissioner of the department of” and after the stricken “service” insert “*administration*” and reinstate the stricken “or”

Page 1, lines 15 and 16, reinstate the stricken language

Page 1, lines 18, 20, 23, and 26, reinstate the stricken language and delete the new language

Page 2, line 3, reinstate the stricken language and delete the new language

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2080: A bill for an act relating to education; providing for Minnesota extension service fringe benefits and salary increases; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete section 2

Page 1, line 18, delete "3" and insert "2"

Page 1, after line 25, insert:

"Sec. 3. [ALLOWANCE FOR UNMET FEDERAL FRINGE COSTS.]

When the federal contribution to the fringe benefit package of extension service employees is less than the federal proportional obligation for those benefit packages, the state shall make up the difference. When federal funds are later provided to fully pay the federal proportional obligation for employee benefit packages, the state shall first offset as much as possible of the difference it has previously paid of the federal share."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for partial state payment of federal shares in certain circumstances with subsequent reimbursement;"

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. 2352: A bill for an act relating to retirement; local police and salaried firefighter relief associations; authorizing a local option in interest and salary increase actuarial assumptions; amending Minnesota Statutes 1991 Supplement, section 356.215, subdivisions 4d and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [AUSTIN FIRE DEPARTMENT RELIEF ASSOCIATION; BOARD MEMBER PER DIEM.]

Notwithstanding any provision of Minnesota Statutes, section 69.80, to the contrary, if its bylaws so permit, the Austin fire department relief association may pay a per diem amount to members of the board of trustees of

the relief association. The per diem amount payable to each board member may not exceed \$35 for each meeting of the board of trustees or other official function of the board of trustees.

Sec. 2. [HEALTH OR MEDICAL INSURANCE PREMIUM BENEFIT.]

(a) Notwithstanding any provision of general law, special law, articles of incorporation, or bylaws to the contrary, if its articles of incorporation or bylaws so permit, the Austin fire department relief association may pay a health or medical insurance premium benefit to eligible pension recipients.

(b) The health or medical insurance premium benefit is an amount equal to the amount that the city of Austin would pay under the applicable collective bargaining agreement for medical or health insurance coverage for a fire-fighter who is employed by the city and who has no dependents.

(c) An eligible pension recipient is a person who receives a service pension or a disability pension from the relief association and who is under age 65 or who is not yet eligible for the receipt of federal Medicare benefits, whichever occurs first.

(d) The health or medical insurance premium benefit is payable monthly, in addition to any other pension amount received by the eligible pension recipient, and is not subject to any postretirement adjustments applicable to service pensions or disability pensions.

Sec. 3. [CHANGE IN MAJOR ECONOMIC ACTUARIAL ASSUMPTIONS.]

Notwithstanding any provision of Minnesota Statutes, section 69.77, 356.215, or 356.216, to the contrary, in preparing the actuarial valuations of the Austin fire department relief association, the following actuarial assumptions must be used:

(1) preretirement interest, six percent;

(2) postretirement interest, six percent; and

(3) salary increase, four percent.

Sec. 4. [EFFECTIVE DATE; LOCAL APPROVAL.]

(a) Section 1 is effective on the day following local approval. Sections 2 and 3 are effective on the December 31 next following local approval.

(b) Sections 1 to 3 are effective as indicated in paragraph (a) following approval by the city council of the city of Austin and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to retirement; Austin fire department relief association; authorizing an actuarial assumption change; providing various benefit increases; authorizing board member per diem payments."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1910: A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, after "*workers*" insert "*all items index*" and after "*the*" insert "*Bureau of Labor Statistics of the*"

Page 3, line 10, after "*reserves*" insert "*, as adjusted for mortality gains and losses under subdivision 11,*"

Page 3, line 11, after "*eligible*" insert "*and ineligible*"

Page 3, lines 25 and 26, delete "*the next*"

Page 4, line 1, delete "*the sum of: (i)*"

Page 4, line 2, delete everything after "(2)" and insert a period

Page 4, delete lines 3 and 4

Page 5, line 33, before "*In*" insert "(a)"

Page 6, after line 13, insert:

"(b) The state board of investment shall not add the transition adjustment to the Consumer Price Index based adjustment if the investment return based adjustment without the transition adjustment factored in is equal to or greater than the transition adjustment.

(c) If a transition adjustment is added to the Consumer Price Index based adjustment, an investment return based adjustment may not be paid.

(d) The transition adjustment is paragraph (a). The Consumer Price Index based adjustment is the adjustment under section 11A.18, subdivision 9, paragraph (b). The investment return based adjustment is the adjustment under section 11A.18, subdivision 9, paragraph (c)."

Page 6, line 15, delete "1993" and insert "1992"

Page 6, line 19, after the period, insert "*The calculations made to determine the amount of a postretirement adjustment to be paid beginning January 1, 1993, and the payment of this adjustment, must be based on the law in effect on the day before the effective date of sections 1 and 2.*"

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. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2120: A bill for an act relating to public safety officer's survivor benefits; altering a definition; amending Minnesota Statutes 1990, section 299A.41, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, lines 11 and 12, after “*vehicle*” insert a comma

Page 1, line 13, delete “*employment*” and insert “*duties*”

Page 1, after line 13, insert:

“Sec. 2. Minnesota Statutes 1990, section 299A.41, subdivision 4, is amended to read:

Subd. 4. [PUBLIC SAFETY OFFICER.] “Public safety officer” includes:

(1) a peace officer defined in section 626.84, *subdivision 1, paragraph (c) or (f)*;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical emergencies to provide initial medical care before the arrival of an ambulance.

Sec. 3. [299A.47] [CLAIMS LIMITATION; DATA CLASSIFICATION.]

Claims for benefits from the public safety officer’s death benefit account made by or on behalf of a survivor of a public safety officer must be filed within two years after the date of death of the officer.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “providing a claim filing limitation and data classification;”

Page 1, line 4, delete “subdivision 3” and insert “subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A”

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. 1935: A bill for an act relating to retirement; making changes in laws governing the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.14, subdivision 1; and 422A.23, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 422A.17; repealing Minnesota Statutes 1990, section 422A.14, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 422A.101, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL REQUIREMENTS OF FUND.] Prior to August 31 annually, the retirement board, in consultation with the commission-retained actuary, shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund, the board of special school district No. 1, and the state commissioner of finance prior to September 15 annually. The statement shall be itemized and shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, which shall be determined by multiplying, *by the factor of 1.035*, the figure for administrative expenses as reported in the most recent actuarial valuation prepared by the commission-retained actuary, including ~~any amounts related to the amount necessary to amortize through June 30, 2020, the annual costs that are determined by the retirement board to be related to investment activities of the deposit accumulation fund other than actual investment transaction amounts;~~ *by the factor of 1.035*;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation prepared by the commission-retained actuary and expressed as a percentage of covered payroll to the estimated total covered payroll of all employees covered by the fund for the following year;

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded actuarial accrued liability of the fund by June 30, 2020, using an interest rate of six percent compounded annually as reported in the most recent actuarial valuation, prepared by the commission-retained actuary expressed as a dollar amount. In determining the amount of the unfunded actuarial accrued liability of the fund, all assets other than the assets of the retirement benefit fund shall be valued as current assets as defined under section 356.215, subdivision 1, clause (6), and the assets of the retirement benefit fund shall be valued equal to the actuarially determined required reserves for benefits payable from that fund;

(4) the amount of any deficiency in the actual amount of any employer

contribution provided for in this section when compared to the required contribution amount certified for the previous year, plus interest on the amount at the rate of six percent per annum.

Sec. 2. Minnesota Statutes 1990, section 422A.12, subdivision 2, is amended to read:

Subd. 2. At the close of each fiscal year there shall be credited within the deposit accumulation fund to accounts representing contributions by the municipality and to accounts representing the accumulated amount of each contributing employee in proportion to the average *quarterly* balance in each such account during said fiscal year, ~~and computed on the balance at the end of each quarter,~~ the amount of income from investments earned on the accumulated funds in possession of the board, after having deducted from the total of such income (1) the amounts otherwise required as interest for various allowances or purposes specified in sections 422A.01 to 422A.25 and (2) an amount to be set aside to liquidate actual or to amortize prospective losses on investments in the accumulation account. The net balance of the investment earnings to be so distributed shall be distributed at the greatest multiple of one-tenth of one percent up to and including a maximum of the interest assumption rate provided for in section 422A.06, subdivision 5 of all such accounts. ~~Any excess then remaining from such investment earnings shall be credited to a reserve fund and be added to and distributed with the investment earnings of the next succeeding year. Any undistributed excess earnings or losses determined to be earnings or losses attributable to the employers' contributions shall be distributed or charged to the employers' reserve accounts in proportion to the employers' average quarterly balances. Any undistributed excess earnings or losses determined to be earnings or losses attributable to the employees' contributions shall be distributed or charged to the employers' reserve accounts in proportion to the number of covered employees employed by each employer. If income from investments is insufficient to enable the crediting of the maximum interest amount to the employee and employer accounts, the maximum interest will first be credited to the employee accounts. If income is insufficient to cover the amounts credited to the employee accounts, the insufficiency attributable to each employer group of employees' accounts will be made up by a charge against the reserve account of that employer. The amount that shall be set aside annually to liquidate past losses on investments or to create a reserve from which to liquidate future losses shall be such amount as the board may deem necessary for such purpose but not in excess of one mill on the dollar of the gross amount received as income on the cash and investments in the fund."~~

Page 3, after line 18, insert:

"Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment. Section 2 applies retroactively to the fiscal year ending June 30, 1991. Section 5 does not require payments for any period before the effective date of the section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "sections" insert "422A.12, subdivision 2;"

Page 1, line 6, delete "section" and insert "sections 422A.101, subdivision 1; and"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 1015: A bill for an act relating to transportation; providing for and regulating bicycles to be operated on bikeways along or between the divided lanes of certain interstate highways and other highways and roads; providing for highway planning and rules for bikeways; amending Minnesota Statutes 1990, sections 160.262, subdivision 1; 161.174; 161.20, subdivision 2; 161.202, subdivision 2; 161.21, subdivision 1; 161.32, subdivision 4; 161.38, subdivision 7; 161.39, subdivision 1; 164.151; 167.50, subdivision 1; 169.18, subdivision 7; 169.19, subdivision 1; and 169.222, subdivisions 4, 8, and 10.

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. [160.267] [BIKEWAY PILOT PROJECT.]

Notwithstanding other law to the contrary, the commissioner, in consultation with the commissioner of public safety and bicyclist organizations, shall establish a pilot project to study and evaluate bikeways along streets and highways.

(a) The commissioner shall evaluate design and construction standards for state, county, and municipal streets and highways to determine the potential for constructing bikeways adjacent to the main motor vehicle lanes.

(b) The commissioner shall designate a paved bikeway of at least 100 miles in length along an interstate highway route within the state. The bikeway shall be designated on the highway shoulder as defined in section 169.01, subdivision 73, and no bicycle may be operated on the main traveled part of the highway used by motor vehicles except at a signal-controlled intersection or at the direction of an authorized flagger or a peace officer. The paved bikeway must be designated and open to bicycle use no later than one year after the effective date of this section. The commissioner shall study and evaluate the safety considerations of bicycle use on the shoulders of controlled access highways, including the possible need to separate bicycles on paved shoulders from motor vehicles on the main traveled lanes of the highway.

(c) The commissioner shall submit recommendations to the legislature by January 1, 1995.

(d) The project expires July 1, 1995.”

Pages 10 and 11, delete sections 13 and 14

Page 12, after line 11, insert:

“Sec. 14. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "establishing a pilot program of paved bikeways along an interstate route;"

Page 1, line 7, delete everything after "sections"

Page 1, line 8, delete "1;"

Page 1, line 13, delete "subdivisions 4, 8, and" and insert "subdivision" and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 160"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

H.F. No. 1114: A bill for an act relating to state government; providing for gender balance in multimember agencies; amending Minnesota Statutes 1990, section 15.0597, by adding subdivisions.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, after line 11, insert:

"The secretary of state's annual report on the open appointments act must include information on certifications under this subdivision."

Page 2, line 18, delete "1995" and insert "1996"

Page 2, line 20, delete "January" and insert "July"

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. 2704: A bill for an act relating to state government: increasing the size of the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council; amending Minnesota Statutes 1991 Supplement, section 3.9226, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 3.9225, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A state council on Black Minnesotans is ~~created to consist~~ *consists* of ~~seven~~ *11* members appointed by the governor. The members of the council ~~shall~~ *must* be broadly representative of the Black community of the state and include at least ~~three~~ *five* males and at least ~~three~~ *five* females. Membership terms, compensation, removal of members, and filling of vacancies for nonlegislative members are as provided in section 15.059. Two members of the house of representatives appointed by the speaker and two members of the senate appointed by the subcommittee on committees of the committee on rules and administration shall serve as ~~ex officio~~, nonvoting members of the council. The council shall annually

elect from its membership a chair and other officers it deems necessary.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after “the” insert “council on Black Minnesotans and the”

Page 1, line 6, delete “section” and insert “sections 3.9225, subdivision 1; and”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2424: A bill for an act relating to education; requiring the conveyance of certain land from the state of Minnesota to independent school district No. 656, Faribault; 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. [CONVEYANCE PERMITTED.]

(a) Notwithstanding Minnesota Statutes, chapters 94 and 103F, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

“All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.”

or

“All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.”

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Sec. 2. [CONSIDERATION.]

The consideration for the conveyance permitted by section 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties.

Sec. 3. [APPROPRIATION.]

The proceeds of the sale are appropriated to the department of education

for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.

Sec. 4. [PURPOSE.]

The land permitted to be conveyed under section 1 is to be used as part of a site for an elementary school."

Delete the title and insert:

"A bill for an act relating to education; permitting the conveyance of certain land from the state of Minnesota to independent school district No. 656, Faribault; appropriating money."

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. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2323: A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, delete "*and*" and after "*Center*" insert "*, and the historical and cultural attractions of the capitol area*"

Page 2, line 8, after the semicolon, insert "*and*"

Page 2, line 10, delete "*; and*" and insert a period

Page 2, delete lines 11 and 12

Page 2, line 28, delete everything after "(6)" and insert "*the chair of the capitol area architectural and planning board or designee;*"

Page 3, line 7, delete everything after the period

Page 3, delete lines 8 and 9

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.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2538: A bill for an act relating to nursing homes; regulating payments for nursing homes under receivership agreements; making various technical amendments; amending Minnesota Statutes 1990, sections 245A.13, subdivision 4; 256B.431, subdivision 4; 256B.432, by adding a subdivision; 256B.48, subdivisions 3, 4, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding a subdivision; 256B.50, subdivisions 1b and 2; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, and 9; and 256I.06; Minnesota Statutes 1991 Supplement, sections 252.46, subdivision 3; 256B.49, subdivision 4; and 256I.05, subdivisions 1a, 1b, 2, and 10;

proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1990, section 256I.05, subdivision 7; Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 7a.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 2

Page 7, delete sections 5 and 6 and insert:

"Sec. 4. Minnesota Statutes 1990, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Both nursing facilities and intermediate care facilities for the mentally retarded must maintain statistical and accounting records in sufficient detail to support information contained in the facility's cost report for at least five

years, including the year following the submission of the cost report. For computerized accounting systems, the records must include copies of electronically generated media such as magnetic discs and tapes.”

Page 8, delete sections 9 and 10

Page 12, line 29, after the period, insert “*The commissioner shall review an appeal by a nursing facility, if the appeal was sent by certified mail and postmarked prior to August 1, 1991, and would have been received by the commissioner within the 60-day deadline if it had not been delayed due to an error by the postal service, and an appeal by an intermediate care facility for persons with mental retardation of a 1988 rate if it was postmarked but not received by the commissioner prior to November 1, 1988.*”

Page 15, line 22, delete “*must be*”

Page 15, delete line 23

Page 15, line 24, delete the new language

Pages 16 and 17, delete section 21

Page 17, line 27, delete “*maximum*”

Page 18, after line 6, insert:

“(c) Paragraph (b) does not apply to a facility that provides support services to persons with serious and persistent mental illness in individual apartment settings.”

Page 22, delete section 31 and insert:

“Sec. 26. [SPECIAL RATE AND LICENSING EXCEPTION.]

Notwithstanding contrary provisions of Minnesota Statutes, chapters 144, 157, 245A, and 256B, a facility that on August 1, 1987, was licensed by the commissioner of health as a boarding care facility with 11 or fewer beds and which had at least 75 percent of its licensed beds occupied by chronically, severely impaired, mentally ill individuals who were transferred to the facility from a regional treatment center may retain that license and must be reimbursed at a rate equal to its documented actual costs and known cost changes according to the rate formula in effect in 1980, or \$50 per resident per day, whichever is lower. This exemption from other rate-setting regulations or restrictions continues as long as the proportion of the facility's residents who are chronically, severely impaired, mentally ill individuals who were transferred to the facility from a regional treatment center remains at or above 75 percent.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after “subdivisions” and insert “2, 3, and 4;”

Page 1, line 8, delete “a subdivision;”

Page 1, line 11, delete “1;”

Page 1, delete lines 13 to 19 and insert “Supplement, section 2561.05, subdivisions 1a, 1b, 2, and 10.”

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. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 2538. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 2538. The motion prevailed. Amendments adopted. Report adopted.

Mr. Moe, R.D. moved that S.F. No. 2538 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Finance. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 2728, 2746, 522, 1805, 2084, 2234, 1700, 2413, 2418, 2700, 2242, 2467, 2523, 2530, 2581, 2628, 2644, 2764, 2037, 2292, 2660, 2352, 1935 and 1015 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1763, 1416, 1114 and 2704 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Spear moved that S.F. No. 2229, No. 68 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

SUSPENSION OF RULES

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. 1801: A bill for an act relating to commerce; motor vehicle sale and distribution; regulating payments upon franchise termination, cancellation, or nonrenewal; amending Minnesota Statutes 1990, section 80E.09, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Mondale	Sarns
Beckman	DeCramer	Kelly	Morse	Samuelson
Benson, D.D.	Dicklich	Knaak	Neuville	Solon
Benson, J.E.	Finn	Kroening	Novak	Spear
Berg	Flynn	Laidig	Olson	Stumpf
Berglin	Frank	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Piper	Traub
Bertram	Gustafson	Lessard	Pogemiller	Vickerman
Brataas	Hottinger	Luther	Price	Waldorf
Chmielewski	Hughes	McGowan	Ranum	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	
Davis	Johnson, J.B.	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 1729: A bill for an act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivisions 1 and 2; 48.38, subdivision 6; 48.84; and 501B.10, 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	Day	Johnston	Moe, R.D.	Riveness
Beckman	DeCramer	Kelly	Mondale	Sams
Benson, D.D.	Dicklich	Knaak	Morse	Samuelson
Benson, J.E.	Finn	Kroening	Neuville	Solon
Berg	Flynn	Laidig	Novak	Spear
Berglin	Frank	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Piper	Traub
Brataas	Hottinger	Luther	Pogemiller	Vickerman
Chmielewski	Hughes	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2159: A bill for an act relating to horse racing; authorizing distribution from the breeders' fund for other breeds; removing limitations on fair racing days; amending Minnesota Statutes 1990, section 240.14, subdivision 3; Minnesota Statutes 1991 Supplement, sections 240.13, subdivisions 5 and 6; 240.15, subdivision 6; and 240.18, 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	Johnston	Mondale	Sams
Beckman	DeCramer	Kelly	Morse	Samuelson
Benson, D.D.	Dicklich	Knaak	Neuville	Solon
Benson, J.E.	Finn	Kroening	Novak	Spear
Berg	Flynn	Laidig	Olson	Stumpf
Berglin	Frank	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Piper	Traub
Bertram	Gustafson	Lessard	Pogemiller	Vickerman
Brataas	Hottinger	Luther	Price	Waldorf
Chmielewski	Hughes	McGowan	Ranum	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Metzen	Renneke	
Davis	Johnson, J.B.	Moe, R.D.	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 1948: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

Was read the third time 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	Johnston	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	Solon
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Piper	Traub
Chmielewski	Hughes	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1803: A bill for an act relating to cemeteries; providing for burials in the winter season; proposing coding for new law in Minnesota Statutes, chapter 306.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Renneke
Beckman	DeCramer	Johnston	Metzen	Riveness
Benson, D.D.	Dicklich	Kelly	Moe, R.D.	Sams
Benson, J.E.	Finn	Knaak	Mondale	Samuelson
Berg	Flynn	Kroening	Morse	Spear
Berglin	Frank	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bertram	Frederickson, D.R.	Larson	Pappas	Traub
Brataas	Gustafson	Lessard	Piper	Vickerman
Chmielewski	Hottinger	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Price	
Dahl	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 512: A bill for an act relating to agriculture; regulating noxious weeds; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1990, sections 18.171 to 18.189; 18.192; 18.201; 18.211 to 18.315; and 18.321 to 18.323; Minnesota Statutes 1991 Supplement, section 18.191.

Was read the third time 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	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Benson, D.D.	DeCramer	Johnston	Moe, R. D.	Renneke
Benson, J.E.	Dicklich	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	Stumpf
Brataas	Gustafson	Larson	Pappas	Terwilliger
Chmielewski	Hottinger	Lessard	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf

Messrs. Finn, Luther and Spear voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1298: A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

Was read the third time 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	Day	Johnston	Metzen	Renneke
Beckman	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	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Piper	Traub
Chmielewski	Hughes	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Merriam	Reichgott	

Mrs. Pariseau voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1252: A bill for an act relating to state lands; authorizing the Minnesota veterans homes board to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

Was read the third time 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 2013: A bill for an act relating to state government; adopting the square dance as the American folk dance of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Benson, D.D.	DeCramer	Johnston	Mondale	Sams
Benson, J.E.	Dicklich	Kelly	Novak	Samuelson
Berg	Finn	Kroening	Olson	Solon
Bernhagen	Frank	Laidig	Pariseau	Stumpf
Bertram	Frederickson, D.J.	Langseth	Piper	Terwilliger
Brataas	Frederickson, D.R.	Larson	Pogemiller	Traub
Chmielewski	Gustafson	Lessard	Price	Vickerman
Cohen	Hottinger	Luther	Ranum	
Dahl	Hughes	McGowan	Reichgott	

Those who voted in the negative were:

Flynn	Knaak	Morse	Spear	Waldorf
Johnson, D.J.	Merriam	Neuville		

So the bill passed and its title was agreed to.

S.F. No. 2208: A bill for an act relating to Olmsted county; permitting certain exemptions for the conveyance of certain county 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 62 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mondale	Riveness
Beckman	DeCramer	Johnston	Morse	Sams
Benson, D.D.	Dicklich	Kelly	Neuville	Samuelson
Benson, J.E.	Finn	Knaak	Novak	Solon
Berg	Flynn	Laidig	Olson	Spear
Berglin	Frank	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pariseau	Terwilliger
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.	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, R.D.	Renneke	

Messrs. Kroening, Lessard and Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2009: A bill for an act relating to the city of Cloquet; permitting the city to issue bonds for a water line.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
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	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Terwilliger
Brataas	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 1671: A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	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	Solon
Berglin	Frank	Langseth	Novak	Spear
Bernhagen	Frederickson, D.J.	Larson	Olson	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pappas	Terwilliger
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Johnson, D.E.	McGowan	Price	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2293: A bill for an act relating to local government; prohibiting publication of pictures of officials in certain county and city publications; amending Minnesota Statutes 1990, section 471.68, 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 60 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Merriam	Ranum
Beckman	Day	Kelly	Metzen	Reichgott
Benson, D.D.	DeCramer	Knaak	Moe, R.D.	Renneke
Benson, J.E.	Flynn	Kroening	Mondale	Riveness
Berg	Frank	Laidig	Morse	Sams
Berglin	Frederickson, D.J.	Langseth	Neuville	Solon
Bernhagen	Frederickson, D.R.	Larson	Novak	Spear
Bertram	Gustafson	Lessard	Olson	Stumpf
Brataas	Hottinger	Luther	Pappas	Terwilliger
Chmielewski	Hughes	Marty	Pariseau	Traub
Cohen	Johnson, D.E.	McGowan	Piper	Vickerman
Dahl	Johnson, J.B.	Mehrkens	Price	Waldorf

Messrs. Dicklich; Johnson, D.J. and Pogemiller voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2171: A bill for an act relating to Kandiyohi and Chippewa counties; 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 52 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Riveness
Benson, J.E.	Flynn	Knaak	Morse	Samuelson
Berg	Frank	Kroening	Neuville	Solon
Berglin	Frederickson, D.J.	Laidig	Olson	Spear
Bernhagen	Gustafson	Langseth	Pappas	Stumpf
Bertram	Hottinger	Larson	Pariseau	Terwilliger
Brataas	Hughes	Luther	Piper	Traub
Chmielewski	Johnson, D.E.	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.J.	McGowan	Price	
Dahl	Johnson, J.B.	Mehrkens	Ranum	
Day	Johnston	Metzen	Reichgott	

Those who voted in the negative were:

Beckman	DeCramer	Lessard	Novak	Vickerman
Benson, D.D.	Finn	Merriam	Renneke	
Davis	Frederickson, D.R.	Moe, R.D.	Sams	

So the bill passed and its title was agreed to.

S.F. No. 2185: A bill for an act relating to game and fish; limiting the prohibition on the use of radio equipment to take protected wild animals to big game and small game; amending Minnesota Statutes 1990, section 97B.085, 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 59 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Neuville	Samuelson
Beckman	Flynn	Kroening	Novak	Solon
Benson, D.D.	Frank	Laidig	Olson	Stumpf
Benson, J.E.	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Berg	Frederickson, D.R.	Larson	Pariseau	Traub
Bernhagen	Gustafson	Lessard	Piper	Vickerman
Bertram	Hottinger	Marty	Pogemiller	Waldorf
Brataas	Hughes	McGowan	Price	
Chmielewski	Johnson, D.E.	Mehrkens	Ranum	
Cohen	Johnson, D.J.	Merriam	Reichgott	
Dahl	Johnson, J.B.	Metzen	Renneke	
Davis	Johnston	Moe, R. D.	Riveness	
Day	Kelly	Mondale	Sams	

Those who voted in the negative were:

Berglin	Finn	Luther	Morse	Spear
Dicklich				

So the bill passed and its title was agreed to.

S.F. No. 1767: A bill for an act relating to highways; changing description of a route in the state highway system.

Was read the third time 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 1288: A bill for an act relating to traffic regulations; allowing use of studded tires on emergency vehicles; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

Was read the third time 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 9, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Renneke
Beckman	DeCramer	Johnston	Metzen	Sams
Benson, D.D.	Dicklich	Kelly	Moe, R. D.	Samuelson
Benson, J.E.	Finn	Kroening	Mondale	Solon
Berg	Frank	Laidig	Morse	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Neuville	Terwilliger
Bertram	Frederickson, D.R.	Larson	Novak	Traub
Brataas	Gustafson	Lessard	Olson	Vickerman
Chmielewski	Hottinger	Luther	Pariseau	
Cohen	Hughes	Marty	Piper	
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Reichgott	

Those who voted in the negative were:

Berglin	Knaak	Pogemiller	Riveness	Waldorf
Flynn	Pappas	Ranum	Spear	

So the bill passed and its title was agreed to.

S.F. No. 2336: A bill for an act relating to employment; providing that certain conduct by employers against employees for engaging in lawful activities during nonworking hours is an unfair labor practice; amending Minnesota Statutes 1991 Supplement, sections 179.12; and 179A.13, subdivision 2.

Mr. Chmielewski moved that S.F. No. 2336, No. 18 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 2310: A bill for an act relating to waters; changing the composition of the board of water and soil resource's dispute resolution committee; amending Minnesota Statutes 1990, section 103B.101, subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 1991: A bill for an act relating to education; authorizing a technical college to contract to provide services; proposing coding for new law in Minnesota Statutes, chapter 136C.

Was read the third time 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	Dicklich	Kroening	Mondale	Renneke
Beckman	Flynn	Laidig	Morse	Riveness
Benson, D.D.	Frederickson, D.J.	Langseth	Neuville	Samuelson
Benson, J.E.	Frederickson, D.R.	Larson	Novak	Solon
Berglin	Gustafson	Lessard	Olson	Spear
Bernhagen	Hottinger	Luther	Pappas	Stumpf
Bertram	Hughes	Marty	Pariseau	Terwilliger
Cohen	Johnson, D.E.	McGowan	Piper	Traub
Dahl	Johnson, D.J.	Mehrkens	Pogemiller	Vickerman
Davis	Johnston	Merriam	Price	Waldorf
Day	Kelly	Metzen	Ranum	
DeCramer	Knaak	Moe, R. D.	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1567: A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

Was read the third time 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.	Moe, R. D.	Riveness
Beckman	DeCramer	Johnston	Mondale	Sams
Benson, D.D.	Dicklich	Knaak	Morse	Samuelson
Benson, J.E.	Finn	Kroening	Novak	Solon
Berg	Flynn	Laidig	Olson	Spear
Berglin	Frank	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pariseau	Terwilliger
Bertram	Frederickson, D.R.	Lessard	Piper	Traub
Brataas	Gustafson	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	Marty	Price	Waldorf
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.

S.F. No. 2286: A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, 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	Day	Johnston	Mondale	Riveness
Beckman	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Knaak	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
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.	Metzen	Reichgott	
Davis	Johnson, J.B.	Moe, R. D.	Renneke	

Messrs. Kroening and Terwilliger voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1784: A bill for an act relating to motor vehicles; adding vehicles to classic car category for vehicle registration purposes; amending Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b.

Was read the third time 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 2162: A bill for an act relating to natural resources; expanding circumstances under which game and fish licenses are void for violations of law; allowing possession, transportation, purchase, or sale of certain inedible portions of wild animals; requiring a report; authorizing rules; amending Minnesota Statutes 1990, sections 97A.421, subdivision 1; and 97A.425, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	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	Terwilliger
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkens	Price	

Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2301: A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	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	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2117: A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R. D.	Riveness
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	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Terwilliger
Brataas	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Pogemiller	Waldorf
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2475: A bill for an act relating to commerce; adding a penalty for the purchase of or an attempt to purchase tobacco by a child; amending Minnesota Statutes 1990, section 609.685, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Terwilliger
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. 878: A bill for an act relating to drivers' licenses; requiring a report on driver's license rules for persons with diabetes; amending Minnesota Statutes 1990, section 171.14.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Metzen	Reichgott
Beckman	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	Stumpf
Chmielewski	Hottinger	Luther	Pariseau	Terwilliger
Cohen	Hughes	Marty	Piper	Traub
Dahl	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf
Day	Johnson, J.B.	Merriam	Ranum	

Mr. Berg voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2231: A bill for an act relating to natural resources; requiring establishment of aquatic management areas; amending Minnesota Statutes 1990, sections 86A.05, by adding a subdivision; and 86A.09, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	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	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Terwilliger
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Hottinger	Luther	Pogemiller	Vickerman
Cohen	Hughes	Marty	Price	Waldorf
Dahl	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2311: A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, 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 46 and nays 18, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Knaak	Mondale	Reichgott
Benson, D.D.	Frank	Kroening	Morse	Riveness
Berglin	Frederickson, D.J.	Langseth	Neuville	Sams
Brataas	Gustafson	Lessard	Olson	Solon
Cohen	Hottinger	Luther	Pappas	Spear
Dahl	Hughes	Marty	Pariseau	Stumpf
Day	Johnson, D.E.	McGowan	Piper	
DeCramer	Johnson, D.J.	Merriam	Pogemiller	
Dicklich	Johnson, J.B.	Metzen	Price	
Finn	Kelly	Moe, R.D.	Ranum	

Those who voted in the negative were:

Adkins	Bertram	Johnston	Renneke	Vickerman
Benson, J.E.	Chmielewski	Laidig	Samuelson	Waldorf
Berg	Davis	Larson	Terwilliger	
Bernhagen	Frederickson, D.R.	Mehrkens	Traub	

So the bill passed and its title was agreed to.

S.F. No. 2421: A bill for an act relating to natural resources; extending the term of certain timber permits.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Riveness
Beckman	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Knaak	Morse	Samuelson
Benson, J.E.	Flynn	Laidig	Neuville	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Terwilliger
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Hottinger	Marty	Pogemiller	Vickerman
Chmielewski	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	
Day	Johnson, J.B.	Metzen	Renneke	

Messrs. Cohen, Kroening and Ms. Pappas voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2308: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Kandiyohi 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	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2001: A bill for an act relating to the environment; changing and adding provisions relating to the liability of and reimbursement to mortgagees and holders of other security interests for petroleum tank releases; expanding the eligibility of political subdivisions for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, sections 115C.02, subdivision 8; 115C.021, by adding a subdivision; and 115C.09, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b.

Was read the third time 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 2382: A bill for an act relating to retirement; providing for surviving spouse benefits for the Minneapolis Police Relief Association and the Minneapolis Fire Department Relief Association; amending Laws 1949, chapter 406, section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2182: A bill for an act relating to retirement; Duluth teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, section 2; 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	DeCramer	Johnston	Mondale	Riveness
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	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pariseau	Terwilliger
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2115: A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending Minnesota Statutes 1991 Supplement, section 16B.101, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 1900: A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; amending Minnesota Statutes 1991 Supplement, section 145.61, subdivisions 4a 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 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 2637: A bill for an act relating to motor carriers; regulating courier services carriers; amending Minnesota Statutes 1990, section 221.011, subdivision 25.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 6, 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
Benson, D.D.	Dicklich	Kelly	Mondale	Riveness
Benson, J.E.	Finn	Knaak	Morse	Sams
Berg	Flynn	Kroening	Neuville	Solon
Berglin	Frank	Laidig	Olson	Spear
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Brataas	Gustafson	Luther	Piper	Traub
Chmielewski	Hottinger	Marty	Pogemiller	Vickerman
Cohen	Hughes	McGowan	Price	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Ranum	

Those who voted in the negative were:

Day	Lessard	Merriam	Novak	Samuelson
Johnston				

So the bill passed and its title was agreed to.

S.F. No. 1997: A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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
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	Hottinger	Luther	Pariseau	Terwilliger
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. 2399: A bill for an act relating to natural resources; defining "substantially equal value" for purposes of state land exchanges; authorizing the Camp 97 Creek, Gold Mine, and Crane Lake Tower impoundments in St. Louis county; amending Minnesota Statutes 1990, section 94.344, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Reichgott
Beckman	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	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrrens	Price	Waldorf
Davis	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2002: A bill for an act relating to public safety; providing a procedure for determining claims under the public safety officer's death benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R. D.	Renneke
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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrrens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2069: A bill for an act relating to agriculture; adding Roseau and Koochiching counties to the restricted seed potato growing area; amending Minnesota Statutes 1990, section 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R. D.	Renneke
Beckman	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	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	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2186: A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; amending Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Merriam	Reichgott
Beckman	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	Stumpf
Brataas	Gustafson	Lessard	Pappas	Terwilliger
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.

CONSENT CALENDAR

H.F. No. 1744: A bill for an act relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants; mandating a study of coordinated program survivorship benefit gaps.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Mondale	Riveness
Beckman	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	
Day	Johnson, J.B.	Metzen	Reichgott	
DeCramer	Johnston	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1818: A bill for an act relating to local government; authorizing mail balloting for certain municipalities; amending Minnesota Statutes 1990, sections 204B.45, subdivisions 1 and 2; and 365.51, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Mondale	Sams
Beckman	Dicklich	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	Terwilliger
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	
Davis	Johnson, J.B.	Metzen	Renneke	
Day	Johnston	Moe, R.D.	Riveness	

Messrs. Benson, D.D.; Finn and Ms. Reichgott voted in the negative.

So the bill passed and its title was agreed to.

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.

Was read the third time 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	Johnston	Metzen	Reichgott
Beckman	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	Stumpf
Brataas	Hottinger	Luther	Pariseau	Terwilliger
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.J.	Mehrkens	Price	Waldorf
Day	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 2744: A bill for an act relating to the department of employee relations; modifying expense account terms and uses; amending Minnesota Statutes 1991 Supplement, section 43A.48.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Mondale	Riveness
Beckman	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Knaak	Neuville	Samuelson
Benson, J.E.	Flynn	Kroening	Novak	Solon
Berg	Frank	Laidig	Olson	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Hottinger	Marty	Pogemiller	Vickerman
Chmielewski	Hughes	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Davis	Johnson, J.B.	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 1794, 1770, 2328, 1898, 2257, 1985 and 1735, which the committee recommends to pass.

S.F. No. 1813, which the committee recommends to pass with the following amendment offered by Ms. Traub:

Page 3, after line 23, insert:

“Sec. 4. Minnesota Statutes 1991 Supplement, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state’s requirement that a child receive developmental screening ~~before enrolling in~~ *not later than 30 days after the first day of attending kindergarten or first grade in a public school.*”

Amend the title as follows:

Page 1, line 9, delete “and” and insert “1b, and 3.”

Page 1, delete line 10

The motion prevailed. So the amendment was adopted.

S.F. No. 2177, which the committee recommends to pass with the following amendment offered by Mr. Neuville:

Page 1, after line 11, insert:

“Sec. 2. [CERTAIN CHALLENGES FOR CAUSE.]

Nothing in section 1 restricts the right to strike an individual from being impaneled on a jury for cause based on a showing that a physical or sensory disability will impair the juror's ability to try a particular case.”

The motion prevailed. So the amendment was adopted.

S.F. No. 1644, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, lines 20 to 23, delete the underscoring

Page 96, after line 9, insert:

“ARTICLE 2

CONSUMER ELECTRONIC FUND TRANSFERS

Section 1. [325G.55] [PROHIBITED ELECTRONIC FUND TRANSFERS.]

Subdivision 1. [DEFINITIONS.] The definitions in United States Code, title 15, section 1693a, and chapter 336 apply to this section.

Subd. 2. [PROHIBITED TRANSFERS.] A preauthorized electronic fund transfer or any other electronic fund transfer from a consumer's account may not be made on the basis of an endorsement, deposit, transfer, or other form of negotiation of a check by the consumer. For purposes of this section, “check” means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

Subd. 3. [CHECK PROVISION.] No provision contained on a check that is received by a receiving bank, which is endorsed, deposited, transferred, or negotiated by a consumer, may be treated as authorization of the consumer to make an electronic fund transfer from the consumer's account.

Subd. 4. [PROHIBITED PRACTICE.] No person may request a consumer to authorize an electronic fund transfer that violates this section.

Subd. 5. [PENALTIES AND REMEDIES.] A person who violates this section is subject to the penalties and remedies provided in section 8.31.”

Amend the title as follows:

Page 1, line 7, after the semicolon, insert “prohibiting certain methods of authorizing electronic fund transfers from consumer accounts;”

Page 1, line 17, delete “chapter” and insert “chapters 325G; and”

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:

Adkins	Davis	Johnson, J.B.	Morse	Spear
Berg	Finn	Kelly	Pappas	Stumpf
Berglin	Flynn	Kroening	Piper	Traub
Bertram	Frederickson, D.J.	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	Marty	Ranum	
Cohen	Hughes	Merriam	Reichgott	
Dahl	Johnson, D.J.	Metzen	Sams	

Those who voted in the negative were:

Belanger	Brataas	Johnston	McGowan	Renneke
Benson, D.D.	Day	Knaak	Mehrkens	Terwilliger
Benson, J.E.	Frederickson, D.R.	Laidig	Olson	
Bernhagen	Johnson, D.E.	Larson	Pariseau	

The motion prevailed. So the amendment was adopted.

S.F. No. 2338, which the committee recommends to pass, after the following motion:

Mr. Neuville moved to amend S.F. No. 2338 as follows:

Pages 8 and 9, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Berg	Johnson, D.E.	McGowan	Sams
Beckman	Bernhagen	Johnston	Mehrkens	Stumpf
Belanger	Chmielewski	Knaak	Neuville	Terwilliger
Benson, D.D.	Day	Laidig	Olson	Vickerman
Benson, J.E.	Hottinger	Larson	Pariseau	

Those who voted in the negative were:

Berglin	Frederickson, D.J.	Marty	Pappas	Renneke
Bertram	Johnson, J.B.	Merriam	Piper	Riveness
Cohen	Kelly	Moe, R.D.	Price	Spear
Finn	Kroening	Mondale	Ranum	Traub
Flynn	Luther	Novak	Reichgott	Waldorf

The motion did not prevail. So the amendment was not adopted.

S.F. No. 2316, which the committee reports progress, subject to the following motion:

Ms. Johnson, J.B. moved to amend S.F. No. 2316 as follows:

Page 5, line 13, delete "also" and insert "only"

The motion prevailed. So the amendment was adopted.

S.F. No. 2316 was then progressed.

S.F. No. 2392, which the committee recommends to pass with the following amendment offered by Ms. Johnson, J.B.:

Page 1, line 10, delete "*The following area is added to Cascade River*"

Page 1, delete lines 11 to 13

Page 1, line 14, delete the paragraph coding

The motion prevailed. So the amendment was adopted.

S.F. No. 1691, which the committee recommends to pass with the following amendments offered by Ms. Piper, Messrs. Knaak, Neuville and Kelly:

Ms. Piper moved to amend S.F. No. 1691 as follows:

Page 5, line 3, delete everything after the period

Page 5, delete lines 4 and 5

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1691 as follows:

Page 4, line 16, delete "\$5,000" and insert "\$10,000"

Page 5, line 7, delete "\$5,000" and insert "\$10,000"

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 1691 as follows:

Page 8, line 26, delete "five" and insert "one"

Page 12, line 15, delete "five" and insert "one"

Page 16, line 1, delete "five" and insert "one"

Mr. Kelly moved to amend the Neuville amendment to S.F. No. 1691 as follows:

Page 1, lines 2, 3, and 4, delete "one" and insert "two"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Neuville amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 1787, which the committee recommends to pass with the following amendment offered by Mr. Mehrkens:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) ~~Notwithstanding any other law, Marginal land and wetlands are withdrawn from sale by the state or exchange unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section:~~

(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.

(b) This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ restrictive covenant would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or

exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota housing finance agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration or by the Minnesota housing finance agency for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 2. [CITY OF MOUNTAIN LAKE: SURPLUS LAND FOR PUBLIC USE.]

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the land described in paragraph (b) to the city of Mountain Lake in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.

(b) The land that may be sold is located in Cottonwood county and described as:

A parcel of land in the southeast quarter of the southeast quarter (SE 1/4 SE 1/4), Section 29, Township 106 North, Range 34 West, in Cottonwood county, Minnesota, more particularly described as follows: Beginning at the southeast corner of said Section 29; thence West along the South line of said Section 29 to the southwest corner of said southeast quarter of the southeast quarter (SE 1/4 SE 1/4); thence northerly along the West line of said southeast quarter of the southeast quarter (SE 1/4 SE 1/4), 556 feet, more or less, to the 105 foot contour line as established from a Bench Mark (Elevation 100.00 Assumed Datum), being the top of the Concrete Abutment at its junction with the wing wall at the northwest corner of the Highway Bridge over Spring Creek in the southwest corner of the northwest quarter of the southwest quarter (NW 1/4 SW 1/4), Section 28, Township 106 North, Range 34 west, Cottonwood county, Minnesota, said contour line being shown on Sheet No. 2 of the Topographical Map of the Mountain Lake Dam, Park and Lake Project of the Emergency Relief Administration of the State of Minnesota, dated June 4th, 1985, which map is attached hereto, made a part hereof and marked "Exhibit A"; thence northeasterly along said 105 foot contour line to its intersection with the North line of said southeast quarter of the southeast quarter (SE 1/4 SE 1/4); thence east along said North line 240 feet, more or less, to the northeast corner of said southeast quarter of the southwest quarter (SE 1/4 SW 1/4); thence South along the east line of said Section 29, a distance of 1342 feet, more or less, to the

point of beginning; containing 55.49 acres, more or less.

(c) The land described in paragraph (b) consists of an island and surrounding submerged lands. The city wishes to improve an existing access to the island and add the island to the city park system for use as a natural area. The land is not needed for resource management and has been declared surplus. It will best serve the public interest if this property is sold and the proceeds used for acquisition of other land.

(d) If the submerged lands included in the legal description in paragraph (b) are held in custody by the state executive council, the council may authorize the commissioner of natural resources to convey the lands."

Page 1, after line 25, insert:

"Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3, are repealed."

Page 2, line 2, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the sale of surplus land bordering public waters for public use;"

Page 1, line 4, before the period, insert "; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3"

The motion prevailed. So the amendment was adopted.

S.F. No. 1605, which the committee recommends to pass with the following amendments offered by Messrs. Berg, Kelly, Mrs. Pariseau, Messrs. Johnson, D.E.; Dahl and Merriam:

Mr. Berg moved to amend S.F. No. 1605 as follows:

Page 8, line 12, delete "or"

Page 8, line 19, reinstate the stricken language

Page 8, line 20, reinstate the stricken "(6)"

Page 8, line 24, before the period, insert "*a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension fund*"

Page 38, after line 22, insert:

"Sec. 55. [471.6151] [CONTRIBUTIONS FROM LAWFUL GAMBLING ORGANIZATIONS.]

Contributions of receipts derived from lawful gambling to a statutory or home rule charter city, county, or town made by an organization licensed to conduct lawful gambling under chapter 349 may not be used for the benefit of a pension or retirement fund."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kelly moved to amend S.F. No. 1605 as follows:

Page 28, after line 5, insert:

“Sec. 38. Minnesota Statutes 1991 Supplement, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARD NUMBERING.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on cards that bear an individual number recorded by the distributor; (2) sell all bingo cards only in the order of the numbers appearing on the cards; and (3) use each bingo card for no more than one bingo occasion. In lieu of the requirements of clauses (2) and (3), a licensed organization may electronically record the sale of each bingo card at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) ~~do not~~ shall only apply to a licensed organization that ~~has never~~ received gross receipts from bingo in excess of \$150,000 in ~~any~~ the organization's last fiscal year.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 1605 as follows:

Page 6, line 34, delete “*noncash gifts*” and insert “*food and beverages*”

Page 6, line 35, delete the comma

Page 6, delete line 36

Page 7, delete line 1

Page 7, line 2, delete everything before the semicolon

The motion prevailed. So the amendment was adopted.

Mr. Johnson, D.E. moved to amend S.F. No. 1605 as follows:

Page 10, line 26, strike “monthly” and insert “*quarterly*”

Page 30, after line 8, insert:

“Sec. 42. Minnesota Statutes 1991 Supplement, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership ~~monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter,~~ on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board ~~monthly~~ *quarterly* on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting ~~monthly~~ *quarterly* to the board on expenditure of net profits.”

Page 38, after line 22, insert:

“Sec. 56. [EFFECTIVE DATE.]

Section 42 is effective August 1, 1993.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 1605 as follows:

Page 5, line 24, after the third comma, insert “*educational*,”

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1605 as follows:

Page 10, after line 22, insert:

“(c) A distributor, manufacturer, or an organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the gambling control board for one year after they have terminated employment with or left the gambling control board.”

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S.F. No. 1605 as follows:

Page 7, line 5, delete “*area*”

Page 7, line 6, delete everything before “*of*” and insert “*commissioner*”

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Spear and Ms. Berglin introduced—

S.F. No. 2769: A bill for an act relating to the city of Minneapolis; permitting the city to extend the duration of a tax increment financing district.

Referred to the Committee on Economic Development and Housing.

Mr. Kelly, Ms. Ranum, Messrs. Knaak and Cohen introduced—

S.F. No. 2770: A bill for an act relating to corrections; requiring the commissioner of corrections to establish a challenge incarceration program for young, nonviolent offenders with controlled substance abuse problems; providing that the program must provide strenuous physical exercise, manual labor, and military drill and ceremony; providing intensive supervised release for inmates who successfully complete the program; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Messrs. McGowan and Merriam introduced—

S.F. No. 2771: A bill for an act relating to corrections; requiring the commissioner of corrections to establish a challenge incarceration program for young, nonviolent offenders with controlled substance abuse problems; providing that the program must provide strenuous physical exercise, manual labor, and military drill and ceremony; providing intensive supervised release for inmates who successfully complete the program; proposing coding for new law in Minnesota Statutes, chapter 244.

Referred to the Committee on Judiciary.

Mr. Marty, Ms. Piper, Mr. Sams, Ms. Johnson, J.B. and Mr. Beckman introduced—

S.F. No. 2772: A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Mr. Morse introduced—

S.F. No. 2773: A bill for an act relating to trade practices; regulating the sale of motor vehicle paint listed as hazardous waste; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

MEMBERS EXCUSED

Mr. Halberg was excused from the Session of today. Mr. Lessard was excused from the Session of today from 2:15 to 2:45 p.m. Mr. Frank was excused from the Session of today at 1:45 p.m. Mr. Belanger 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, Wednesday, March 25, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, March 25, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Senator Dean E. Johnson.

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	Stumpf
Brataas	Hottinger	Luther	Pariseau	Terwilliger
Chmielewski	Hughes	Marty	Piper	Traub
Cohen	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 communications were received and referred to the committee indicated.

March 3, 1992

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

George Jernberg, 340 Parkview, Detroit Lakes, Becker County, Minnesota, has been appointed by me, effective March 4, 1992, for a term expiring on the first Monday in January, 1996.

Marina Lyon, 1738 Hague Avenue, St. Paul, Ramsey County, Minnesota, has been appointed by me, effective March 4, 1992, for a term expiring on the first Monday in January, 1996.

(Referred to the Committee on Education.)

Warmest regards,
Arne H. Carlson, Governor

March 24, 1992

The Honorable Dee Long
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 1992 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 1992	Date Filed 1992
	2044	366		March 23
	917	367	4:20 p.m. March 20	March 23
	2259	368	4:23 p.m. March 20	March 23
	2002	369	4:25 p.m. March 20	March 23

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1666, 1689, 1919 and 2385.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1992

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. 720, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 720 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1992

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. 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.

Senate File No. 1399 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 24, 1992

Mrs. Benson, J.E. moved that the Senate do not concur in the amendments

by the House to S.F. No. 1399, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1489, 1988, 2186, 2683, 2732, 2854, 2375, 2849, 1996, 2063, 1978, 2273, 2388, 2106, 2352, 1701, 2030, 2115, 1969, 2099 and 2113.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 24, 1992

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 1489: A bill for an act relating to cooperatives; regulating regular or special meetings; requiring meetings to be open to members, with certain exceptions; proposing coding for new law in Minnesota Statutes, chapter 308A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1297, now on General Orders.

H.F. No. 1988: A bill for an act relating to intoxicating liquor; authorizing Lake township in Roseau county to establish, own, and operate an exclusive liquor store.

Referred to the Committee on Commerce.

H.F. No. 2186: A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1780, now on General Orders.

H.F. No. 2683: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; repealing a surviving spouse remarriage penalty; amending Laws 1943, chapter 196, section 4, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2467, now on General Orders.

H.F. No. 2732: A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 and 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2660, now on General Orders.

H.F. No. 2854: A bill for an act relating to local government; providing for membership terms for the city of Hibbing public safety commission;

providing for the size of the Hibbing public utilities commission; providing for its compensation; authorizing boards of counties to publish newsletters; amending Minnesota Statutes 1990, section 375.18, by adding a subdivision; Laws 1949, chapter 422, section 2, as amended.

Referred to the Committee on Local Government.

H.F. No. 2375: A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1770, now on General Orders.

H.F. No. 2849: A bill for an act relating to state parks; authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, by adding a subdivision.

Referred to the Committee on Finance.

H.F. No. 1996: A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, section 11.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2023, now on General Orders.

H.F. No. 2063: A bill for an act relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants; amending Minnesota Statutes 1990, section 353.37, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1819, now on General Orders.

H.F. No. 1978: A bill for an act relating to health; regulating ionizing radiation; delaying the effective date of certain rules; requiring their review by the commissioner of health.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1824.

H.F. No. 2273: A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; amending Minnesota Statutes 1991 Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2084, now on General Orders.

H.F. No. 2388: A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2170, now on General Orders.

H.F. No. 2106: A bill for an act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections

53A.02; 53A.04; and 53A.05.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1836.

H.F. No. 2352: A bill for an act relating to state agencies; providing that agency heads may not delegate affirmative action duties; amending Minnesota Statutes 1990, section 43A.191, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2292, now on General Orders.

H.F. No. 1701: 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 Finance.

H.F. No. 2030: A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2057, now on General Orders.

H.F. No. 2115: A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06; proposing coding for new law in Minnesota Statutes, chapter 344.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2461, now on General Orders.

H.F. No. 1969: A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex within the city of Bloomington.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2175, now on the Calendar.

H.F. No. 2099: A bill for an act relating to insurance; auto; prohibiting discrimination in automobile insurance policies; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying how subrogation recoveries affect insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2374.

H.F. No. 2113: A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; authorizing revolving safety lights on rural mail carrier vehicles; requiring school bus sign on

school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, and by adding a subdivision; and 169.64, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1999, 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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2384: A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [582.32] [VOLUNTARY FORECLOSURE; PROCEDURE.]

Subdivision 1. [APPLICATION.] Upon the mutual written agreement of the mortgagor and mortgagee, a mortgage of real estate that is not homestead or agricultural property may be foreclosed pursuant to this section.

Subd. 2. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given:

(b) “Date of conveyance” means the date the mortgagor and mortgagee enter into the agreement for nonjudicial foreclosure and the mortgagor conveys the mortgaged real estate to the mortgagee under subdivision 4, paragraph (b).

(c) “Junior lien” means a lien with a redeemable interest in the real estate under section 580.23 or 580.24 subordinate to the lien of the mortgagee foreclosing under this section.

(d) “Mortgagor” means the original grantor of the mortgage, whether one or several, and their grantees, personal representatives, heirs, successors, or assignees.

(e) “Real estate” means the real property covered by the mortgage and, where applicable, fixtures, equipment, furnishings, or other personalty related to the real estate and covered by the mortgage.

Subd. 3. [REQUEST FOR NOTICE; CONTENT REQUIREMENTS.]

(a) A person having a junior lien may file for record a request for notice of a mortgage foreclosure under this section with the county recorder or registrar of titles of the county where the real estate is located.

(b) A request for notice must specify: (1) the name and mailing address of the person requesting notice; (2) a legal description of the real estate; (3) a description of the person's redeemable interest including, if applicable, the date and recording information of the document creating the interest; and (4) a request for notice of a mortgage foreclosure under this section. The request must be executed and acknowledged by the person requesting

notice.

(c) *The recording of a request for notice by itself does not give the person requesting notice any interest in the real estate for any purpose. A recorded request for notice does not constitute actual or constructive notice of any interest in the real estate.*

Subd. 4. [PROCEDURE.] (a) Voluntary nonjudicial foreclosure must be done in accordance with the procedure contained in this section.

(b) *The mortgagor shall enter into a written agreement to foreclosure under this section and simultaneously convey to the mortgagee all interest in the real estate subject to the mortgage. The mortgagee may not file or record the deed of conveyance until after the expiration of the period for cancellation provided for in paragraph (f).*

(c) *The mortgagee shall accept the mortgagor's conveyance and waive any rights to a deficiency or other claim for personal liability against the mortgagor arising from the mortgage. This does not preclude an agreement between the mortgagor and mortgagee to a stipulated payment as part of the voluntary foreclosure process.*

(d) *The mortgagor shall consent to the appointment of a receiver for, or grant the mortgagee possession of the real estate upon expiration of the period of cancellation provided for in paragraph (f), for the purposes of operating, maintaining, and protecting the real estate and the making of any additions or betterments to the real estate.*

(e) *Within 15 business days after the expiration of the period of cancellation provided in paragraph (f), the mortgagor and mortgagee shall record or file a jointly executed document, with the disclosure and notice of right to cancel provided for in subdivision 8 attached to the document, with the county recorder or registrar of titles, as appropriate, in the county where the real estate is located, stating that the mortgagor and mortgagee have elected to follow the nonjudicial voluntary foreclosure procedures under this section and indicating the date of conveyance.*

(f) *The mortgagor has a right to cancel the agreement within five business days after entry into the agreement. If the mortgagor cancels the agreement, no documents shall be recorded by the mortgagee under this section.*

(g) *A certificate signed by the county assessor where the real estate is located stating that the real estate as legally described in the certificate is not in agricultural use as defined in section 40A.02, subdivision 3, or a homestead as defined in section 510.01, must be recorded in the office of the county recorder or registrar of titles where the real estate is located and is prima facie evidence of the facts contained in the certificate and may be relied upon by an examiner of title of the real estate.*

(h) *An affidavit signed by the mortgagee, after the expiration of the period of cancellation provided in paragraph (f), stating that the mortgagor has not canceled the agreement within that period must be recorded in the office of the county recorder or registrar of titles where the real estate is located and is prima facie evidence of the facts contained in the affidavit and may be relied upon by an examiner of title of the real estate.*

Subd. 5. [NOTICE TO CREDITORS.] Within 15 business days after the expiration of the period of cancellation provided for in subdivision 4, paragraph (f), the mortgagee shall:

(1) send by certified mail a notice of the voluntary foreclosure election to all creditors having a junior lien of record upon the real estate or some part of the real estate, as of the date of conveyance, who have filed or recorded a request for this notice under subdivision 3;

(2) publish notice of the election under this section in the same fashion as in a foreclosure by advertisement for four consecutive weeks; and

(3) post notice of the election in a conspicuous place on the mortgaged real estate.

The notices must indicate all information required under section 580.04, clauses (1) to (4), the date of the conveyance, and that each junior creditor may redeem in the order and manner provided in subdivision 9, beginning two months after the date of conveyance. Affidavits of posting, mailing, and publication to evidence the same must be recorded in the office of the county recorder or registrar of titles where the real estate is located and are prima facie evidence of the facts stated in the affidavits and may be relied upon by an examiner of title of the real estate.

Subd. 6. [EFFECT OF FAILURE TO MAIL NOTICE.] If a person foreclosing a mortgage under this section fails to mail a notice in accordance with subdivision 5 to a person with a properly recorded request for notice, the failure does not invalidate the foreclosure.

Subd. 7. [REMEDIES.] If notice of the sale is not mailed in accordance with subdivision 5 to a person with a properly recorded request for notice, the person requesting notice has a cause of action against the person foreclosing the mortgage for money damages for the lesser of: (1) the equity in the mortgaged premises that would have been available to the person if the person had redeemed; or (2) the value of the person's redeemable interest. The value of a lienholder's redeemable interest is the amount due on and secured by the lien. The person requesting notice has the burden of proving that the notice of the sale was not mailed in accordance with subdivision 5 and that the person requesting notice had a valid redeemable interest in the mortgaged premises, had measurable damages, and had the financial ability to redeem. An action for damages resulting from failure to mail notice must be brought within two years of the date of conveyance.

Subd. 8. [DISCLOSURE AND NOTICE OF RIGHT TO CANCEL.] At the time the mortgagor signs the written agreement under subdivision 4, paragraph (b), the mortgagee shall furnish the mortgagor a completed disclosure and notice of right to cancel form in duplicate. The form must be attached to the written agreement, must be in ten-point boldface type, and must be in the following form:

**"DISCLOSURE AND NOTICE
OF RIGHT TO CANCEL**

.
(enter date of transaction)

Under Minnesota law, in the event of foreclosure, you have the right to reclaim your property within (enter length of redemption period), the redemption period provided by law, and you may continue to occupy your property during that time. If you agree to a voluntary nonjudicial foreclosure under this procedure, you will be giving up your rights to redeem and to occupy your property during the redemption period.

Under a foreclosure, if your mortgage lender does not receive enough money to cover what you owe when the property is sold, you may be required to pay the difference, unless the redemption period is six months or less and the mortgage is foreclosed by advertisement. If your mortgage lender receives more money than you owe, the difference must be paid to you. IF YOU AGREE TO A VOLUNTARY NONJUDICIAL FORECLOSURE UNDER THIS PROCEDURE, YOU WILL NOT HAVE TO PAY THE AMOUNT OF YOUR DEBT NOT COVERED BY THE SALE OF YOUR PROPERTY, BUT YOU ALSO WILL NOT BE PAID ANY EXTRA MONEY, IF ANY, OVER THE AMOUNT YOU OWE. IF YOU HAVE SUBSTANTIAL EQUITY IN YOUR PROPERTY, THE VOLUNTARY FORECLOSURE PROCEDURE MAY NOT BE TO YOUR ADVANTAGE.

Note: There may be other advantages and disadvantages to you, including an effect on your income tax liability, depending on whether you agree or do not agree to a voluntary foreclosure. If you have any questions or doubts, you should discuss them with an attorney.

You may cancel this transaction, without penalty or obligation, within five business days from the above date.

This transaction is entirely voluntary. You cannot be required to sign the attached foreclosure agreement.

This voluntary foreclosure agreement will become final unless you sign and deliver or mail this notice of cancellation to (name of mortgagee), postmarked before midnight of (enter proper date which is five business days after entry into the agreement).

I HEREBY CANCEL THIS TRANSACTION.

.....

DATE

.....

SIGNATURE"

Subd. 9. [CREDITOR REDEMPTION.] A subsequent creditor having a junior lien upon the real estate or some part of the real estate may redeem in the order and manner specified in sections 580.24 and 580.25, but only if before the end of the two-month period the creditor files with the county recorder or registrar of titles of each county where the mortgaged real estate is located, a notice of intention to redeem. If a junior creditor fails to redeem its lien as provided in this subdivision, its lien is null and void.

Sec. 2. [EFFECTIVE DATE.]

This act is effective August 1, 1993, and applies to mortgages entered into on or after August 1, 1993."

Delete the title and insert:

"A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 2095: A bill for an act relating to the environment; pollution control; clarifying and distinguishing organizational duties of the board of the pollution control agency; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; requiring a report; amending Minnesota Statutes 1990, sections 116.02, subdivisions 1, 2, 3, 4, and by adding a subdivision; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, delete lines 23 to 28 and insert:

“(3) adopt procedures and criteria for hearing appeals of the commissioner’s decisions;

(4) hear and decide appeals of decisions of the commissioner of the agency that are not decided as contested cases under chapter 14;”

Page 2, line 29, delete “(6)” and insert “(5)”

Page 2, line 31, delete “(7)” and insert “(6)”

Page 2, line 33, delete “(8)” and insert “(7)” and delete “*broad*”

Page 2, line 34, delete “*administrative and*”

Page 3, lines 25 and 26, delete the new language

Page 4, line 26, before “*for*” insert “*or*”

Page 4, line 27, delete everything after “*adopted*” and insert a period

Page 4, delete line 28

Page 6, line 14, delete “*an*” and insert “*a volatile*”

Page 6, line 20, delete “*other*” and delete everything after “*pollutant*” and insert “*that is regulated under Minnesota Rules, chapter 7005, or for which a state ambient air quality standard has been adopted.*”

Page 7, line 7, after “*businesses*” insert “*that are stationary sources*”

Page 9, line 33, before “*making*” insert “*contacting and*”

Page 9, line 34, after “*officials*” insert “*as necessary to carry out the duties imposed by sections 9 to 12*”

Page 9, line 35, delete everything after the period

Page 9, delete line 36

Page 10, delete lines 1 to 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. 1889: A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amending Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 21, delete "The"

Page 1, delete lines 22 and 23 and insert "After the review"

Page 1, line 24, delete "this paragraph,"

Page 1, line 25, delete "personnel"

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. 2463: A bill for an act relating to insurance; solvency; making various technical corrections; amending Minnesota Statutes 1990, sections 60A.03, subdivision 6; and 60A.10, subdivision 4; Minnesota Statutes 1991 Supplement, sections 60A.092, subdivision 3; 60A.11, subdivisions 13 and 20; 60A.112; 60A.12, subdivision 10; 60A.124; and 60D.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 60C; repealing Minnesota Statutes 1991 Supplement, section 72A.206.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 11, insert:

"ARTICLE 1

BUSINESS TRANSACTED WITH PRODUCER CONTROLLED PROPERTY/CASUALTY INSURER ACT

Section 1. [60J.06] [SHORT TITLE.]

Sections 1 to 6 may be cited as the "business transacted with producer controlled insurer act."

Sec. 2. [60J.07] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [ACCREDITED STATE.] "Accredited state" means a state in which the insurance department or regulatory agency has qualified as meeting the minimum financial regulatory standards promulgated and established from time to time by the National Association of Insurance Commissioners (NAIC).

Subd. 3. [CAPTIVE INSURER.] "Captive insurer" means an insurance company owned by another organization whose exclusive purpose is to insure risks of the parent organization and affiliated companies or, in the case of groups and associations, an insurance organization owned by the insureds whose exclusive purpose is to insure risks to member organizations or group members and their affiliates.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 5. [CONTROL.] "Control" or "controlled" has the meaning given in section 60D.15, subdivision 4.

Subd. 6. [CONTROLLED INSURER.] "Controlled insurer" means a licensed insurer which is controlled, directly or indirectly, by a producer.

Subd. 7. [CONTROLLING PRODUCER.] "Controlling producer" means a producer who, directly or indirectly, controls an insurer.

Subd. 8. [LICENSED INSURER.] "Licensed insurer" or "insurer" means any person, firm, association, or corporation licensed to transact a property/casualty insurance business in this state. The following entities are not licensed insurers for the purposes of sections 1 to 6:

(1) all risk retention groups as defined in the Superfund Amendments Reauthorization Act of 1986, Public Law Number 99-499, 100 Stat. 1613; the Risk Retention Act, 15 United States Code, section 3901, et seq.; and chapter 60;

(2) all residual market pools and joint underwriting authorities or associations; and

(3) all captive insurers.

Subd. 9. [PRODUCER.] "Producer" means an insurance broker or any other person, firm, association, or corporation, when, for any compensation, commission or other thing of value, the person, firm, association, or corporation acts or aids in any manner in soliciting, negotiating, or procuring the making of any insurance contract on behalf of an insured other than the person, firm, association, or corporation.

Sec. 3. [60J.08] [APPLICATION.]

Sections 1 to 6 apply to licensed insurers, either domiciled in this state or domiciled in a state that is not an accredited state having in effect a substantially similar law. All provisions of chapter 60D, to the extent they are not superseded by sections 1 to 6, apply to all parties within holding company systems subject to sections 1 to 6.

Sec. 4. [60J.09] [MINIMUM STANDARDS.]

Subdivision 1. [APPLICATION.] The provisions of this section apply if, in any calendar year, the aggregate amount of gross written premium on business placed with a controlled insurer by a controlling producer is equal to or greater than five percent of the admitted assets of the controlled insurer, as reported in the controlled insurer's quarterly statement filed as of September 30 of the prior year.

Subd. 2. [EXEMPTION.] Notwithstanding subdivision 1, this section does not apply under the following conditions:

(1) the controlling producer:

(i) places insurance only with the controlled insurer, or only with the controlled insurer and a member of the controlled insurer's holding company system, or the controlled insurer's parent, affiliate, or subsidiary and receives no compensation based upon the amount of premiums written in connection with the insurance; and

(ii) accepts insurance placements only from nonaffiliated subproducers

and not directly from insureds; and

(2) the controlled insurer, except for insurance business written through a residual market facility, accepts insurance business only from a controlling producer, a producer controlled by the controlled insurer, or a producer that is a subsidiary of the controlled insurer.

Subd. 3. [REQUIRED CONTRACT PROVISIONS.] A controlled insurer shall not accept business from a controlling producer and a controlling producer shall not place business with a controlled insurer unless there is a written contract between the controlling producer and the insurer specifying the responsibilities of each party. The contract must be approved by the board of directors of the insurer and contain the following minimum provisions:

(1) the controlled insurer may terminate the contract for cause, upon written notice to the controlling producer. The controlled insurer shall suspend the authority of the controlling producer to write business during the pendency of any dispute regarding the cause for the termination;

(2) the controlling producer shall submit accounts to the controlled insurer detailing all material transactions, including information necessary to support all commissions, charges, and other fees received by, or owing to, the controlling producer;

(3) the controlling producer shall remit all funds due under the terms of the contract to the controlled insurer on at least a monthly basis. The due date must be fixed so that premiums or installments collected are remitted no later than 90 days after the effective date of any policy placed with the controlled insurer under this contract;

(4) all funds collected for the controlled insurer's account shall be held by the controlling producer in a fiduciary capacity, in one or more appropriately identified bank accounts in banks that are members of the Federal Reserve System, in accordance with the provisions of the insurance law as applicable. Funds of a controlling producer not required to be licensed in this state must be maintained in compliance with the requirements of the controlling producer's domiciliary jurisdiction;

(5) the controlling producer shall maintain separately identifiable records of business written for the controlled insurer;

(6) the contract may not be assigned in whole or in part by the controlling producer;

(7) the controlled insurer shall provide the controlling producer with its underwriting standards, rules, and procedures, manuals specifying the rates to be charged, and the conditions for the acceptance or rejection of risks. The controlling producer shall adhere to the standards, rules, procedures, rates, and conditions. The standards, rules, procedures, rates, and conditions must be the same as those applicable to comparable business placed with the controlled insurer by a producer other than the controlling producer;

(8) the rates and terms of the controlling producer's commissions, charges, or other fees and the purposes for those charges or fees. The rates of the commissions, charges, and other fees may be no greater than those applicable to comparable business placed with the controlled insurer by producers other than controlling producers. For purposes of this clause and clause (7), examples of "comparable business" include the same lines of insurance, same kinds of insurance, same kinds of risks, similar policy limits, and

similar quality of business;

(9) if the contract provides that the controlling producer, on insurance business placed with the insurer, is to be compensated contingent upon the insurer's profits on that business, then the compensation may not be determined and paid until at least five years after the premiums on liability insurance are earned and at least one year after the premiums are earned on any other insurance. In no event may the commissions be paid until the adequacy of the controlled insurer's reserves on remaining claims has been independently verified as provided under subdivision 5;

(10) a limit on the controlling producer's writings in relation to the controlled insurer's surplus and total writings. The insurer may establish a different limit for each line or subline of business. The controlled insurer shall notify the controlling producer when the applicable limit is approached and shall not accept business from the controlling producer if the limit is reached. The controlling producer shall not place business with the controlled insurer if it has been notified by the controlled insurer that the limit has been reached; and

(11) the controlling producer may negotiate but may not bind reinsurance on behalf of the controlled insurer on business the controlling producer places with the controlled insurer, except that the controlling producer may bind facultative reinsurance contracts pursuant to obligatory facultative agreements if the contract with the controlled insurer contains underwriting guidelines including, for both reinsurance assumed and ceded, a list of reinsurers with which the automatic agreements are in effect, the coverages and amounts or percentages that may be reinsured and commission schedules.

Subd. 4. [AUDIT COMMITTEE.] A controlled insurer shall have an audit committee of the board of directors composed of independent directors. The audit committee shall annually meet with management, the insurer's independent certified public accountants, and an independent casualty actuary or other independent loss reserve specialist acceptable to the commissioner to review the adequacy of the insurer's loss reserves.

Subd. 5. [REPORTING REQUIREMENTS.] In addition to any other required loss reserve certification, the controlled insurer shall annually, on April 1 of each year, file with the commissioner an opinion of an independent casualty actuary, or other independent loss reserve specialist acceptable to the commissioner, reporting loss ratios for each line of business written and attesting to the adequacy of loss reserves established for losses incurred and outstanding as of year end, including incurred but not reported, on business placed by the producer. The controlled insurer shall annually report to the commissioner the amount of commissions paid to the producer, the percentage the amount represents of the net premiums written, and comparable amounts and percentage paid to noncontrolling producers for placements of the same kinds of insurance.

Sec. 5. [60J.10] [DISCLOSURE.]

The producer, prior to the effective date of the policy, shall deliver written notice to the prospective insured disclosing the relationship between the producer and the controlled insurer; except that, if the business is placed through a subproducer who is not a controlling producer, the controlling producer shall retain in the producer's records a signed commitment from the subproducer that the subproducer is aware of the relationship between

the insurer and the producer and that the subproducer has or will notify the insured.

Sec. 6. [60J.11] [PENALTIES.]

Subdivision 1. [CEASE AND DESIST ORDER.] If the commissioner believes that the controlling producer or any other person has not materially complied with sections 1 to 6 or any rule or order, after notice and opportunity to be heard, the commissioner may order the controlling producer to cease placing business with the controlled insurer.

Subd. 2. [INITIATION OF ACTION.] If the commissioner has reason to believe that a controlling producer has committed or is committing an act that could be determined to be a violation of sections 1 to 6, the commissioner shall serve upon the controlling producer, in the manner provided by chapter 14, a statement of the charges and notice of a hearing to be conducted in accordance with chapter 14, at a time not less than 30 days after the service of the notice and at a place fixed in the notice.

Subd. 3. [CIVIL ACTION BY COMMISSIONER.] The commissioner may maintain a civil action or intervene in an action brought by or on behalf of the insurer or policyholder for recovery of compensatory damages for the benefit of the insurer or policyholder or other appropriate relief.

Subd. 4. [CIVIL ACTION BY RECEIVER.] If an order for liquidation or rehabilitation of the controlled insurer has been entered under chapter 60B and the receiver appointed under that order believes that the controlling producer or any other person has not materially complied with sections 1 to 6, or any rule or order, and the insurer suffered any loss or damage therefrom, the receiver may maintain a civil action for recovery of damages or other appropriate sanctions for the benefit of the insurer.

Subd. 5. [ADDITIONAL PENALTIES AND RIGHTS.] Nothing contained in this section affects the right of the commissioner to impose any other penalties provided for in the insurance law. Nothing contained in this section is intended to or shall in any manner alter or affect the rights of policyholders, claimants, creditors, or other third parties.

Sec. 7. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 60J.01; 60J.02; 60J.03; 60J.04; and 60J.05, are repealed.

ARTICLE 2

MISCELLANEOUS SOLVENCY PROVISIONS"

Page 2, after line 20, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 60A.031, subdivision 1, is amended to read:

Subdivision 1. [POWER TO EXAMINE.] (1) [INSURERS AND OTHER LICENSEES.] At any time and for any reason related to the enforcement of the insurance laws, or to ensure that companies are being operated in a safe and sound manner and to protect the public interest, the commissioner may examine the affairs and conditions of any foreign or domestic insurance or reinsurance company, including reciprocals and fraternal, licensee or applicant for a license under the insurance laws, or any other person or organization of persons doing or in the process of organizing to do any insurance business in this state, and of any licensed advisory organization

serving any of the foregoing in this state.

The commissioner shall examine the affairs and conditions of every ~~domestic insurance company~~ *at least insurer licensed in this state not less frequently than once every five years.*

(2) [WHO MAY BE EXAMINED.] The commissioner in making any examination of an insurance company as authorized by this section may, if in the commissioner's discretion, there is cause to believe the commissioner is unable to obtain relevant information from such insurance company or that the examination or investigation is, in the discretion of the commissioner, necessary or material to the examination of the company, examine any person, association, or corporation:

(a) transacting, having transacted, or being organized to transact the business of insurance in this state;

(b) engaged in or proposing to be engaged in the organization, promotion, or solicitation of shares or capital contributions to or aiding in the formation of a domestic insurance company;

(c) holding shares of capital stock of an insurance company for the purpose of controlling the management thereof as voting trustee or otherwise;

(d) having a contract, written or oral, pertaining to the management or control of an insurance company as general agent, managing agent, attorney-in-fact, or otherwise;

(e) which has substantial control directly or indirectly over an insurance company whether by ownership of its stock or otherwise, or owning stock in any domestic insurance company, which stock constitutes a substantial proportion of either the stock of the domestic insurance company or of the assets of the owner thereof;

(f) which is a subsidiary or affiliate of an insurance company;

(g) which is a licensed agent or solicitor or has made application for the licenses;

(h) engaged in the business of adjusting losses or financing premiums.

Nothing contained in this clause (2) shall authorize the commissioner to examine any person, association, or corporation which is subject to regular examination by another division of the commerce department of this state. The commissioner shall notify the other division when an examination is deemed advisable."

Page 4, line 24, after the period, insert "*Pursuant to section 106 of title I of the Secondary Mortgage Market Enhancement Act of 1984, United States Code, title 15, section 77r-1, included under this paragraph are obligations issued or guaranteed by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association.*"

Page 4, line 32, delete everything after the period

Page 4, delete lines 33 to 36

Page 5, delete line 1

Pages 8 and 9, delete section 9 and insert:

"Sec. 10. [60C.21] [INSOLVENCY; NOTICE OF GUARANTY FUND PROTECTION.]

Subdivision 1. [NOTICE REQUIRED.] No person, including an insurer, agent, or affiliate of an insurer or agent shall sell, or offer for sale, a covered property and casualty insurance policy, unless the notice, in the form specified in subdivision 2, is delivered with or as a part of the application for that policy. A copy of the notice must be given to the applicant. This section does not apply to renewals, unless the renewal increases the dollar amount of a coverage by more than 100 percent.

Subd. 2. [FORM.] The notice required under subdivision 1 must be in the following form:

**“NOTICE CONCERNING POLICYHOLDER RIGHTS IN AN
INSOLVENCY UNDER THE MINNESOTA INSURANCE
GUARANTY ASSOCIATION LAW**

If the insurer who issued your property and casualty or liability insurance policy (includes homeowners and automobile insurance) becomes impaired or insolvent, you are entitled to compensation for your policy from the assets of the insurer. The amount you recover will depend on the financial condition of the insurer.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

Minnesota Insurance Guaranty Association

4640 West 77th Street, Suite 342

Edina, Minnesota 65435

(612) 831-1908

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation insurance. Protection by the guaranty association is subject to other substantial limitations and exclusions. If your claim exceeds the guaranty association's limits, you may still recover a part or all of that amount from the proceeds from the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The guaranty association assesses insurers licensed to sell property and casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE GUARANTY ASSOCIATION.

THIS NOTICE IS REQUIRED BY MINNESOTA STATE LAW TO ADVISE POLICYHOLDERS OF PROPERTY AND CASUALTY INSURANCE POLICIES OF THEIR RIGHTS IN THE EVENT THEIR INSURANCE CARRIER BECOMES INSOLVENT. THIS NOTICE IN NO WAY IMPLIES THAT THE COMPANY CURRENTLY HAS ANY TYPE OF FINANCIAL PROBLEMS. ALL PROPERTY AND CASUALTY INSURANCE POLICIES ARE REQUIRED TO

PROVIDE THIS NOTICE."

Subd. 3. [EFFECT OF NOTICE.] The distribution, delivery, contents, or interpretation of the notice required by this section shall not mean that the policy would be covered in the event of the insolvency of a member insurer if coverage is not otherwise provided by this chapter. Failure to receive the notice does not give the policyholder, certificate holder, or any other interested party any greater rights than those provided by this chapter.

Subd. 4. [EXEMPTION.] This section does not apply to fraternal benefit societies regulated under chapter 64B or to fidelity or surety bonds, policies, or contracts."

Page 10, after line 24, insert:

"Sec. 12. Minnesota Statutes 1991 Supplement, section 61A.28, subdivision 1, is amended to read:

Subdivision 1. [INVESTMENT GUIDELINES AND PROCEDURES.] Each domestic life insurance company must comply with section 60A.112.

No investment or loan, except policy loans, shall be made by a domestic life insurance company unless authorized or approved by the board of directors or by a committee of directors, officers, or employees of the company designated by the board and charged with the duty of supervising the investment or loan. Accurate records of all authorizations and approvals must be maintained.

The capital, surplus and other funds of every domestic life insurance company, whether incorporated by special act or under the general law (in addition to investments in real estate as otherwise permitted by law) may be invested only in one or more of the following kinds of securities or property. An investment may not be made under this section if the required interest obligation is in default.

Investments must be valued in accordance with the valuation procedures established by the National Association of Insurance Commissioners, unless the commissioner requires or finds another method of valuation reasonable under the circumstances. Other invested assets must be valued according to the procedures promulgated by the National Association of Insurance Commissioners, if not addressed in another section, unless the commissioner requires or finds another method of valuation reasonable under the circumstances.

Sec. 13. Minnesota Statutes 1990, section 61B.03, subdivision 5, is amended to read:

Subd. 5. [CONTRACTUAL OBLIGATION.] (a) "Contractual obligation" means any obligation under covered policies, *except as provided in paragraphs (b), (c), and (d) of this subdivision.*

(b) For purposes of this chapter, contractual obligation includes an unallocated annuity contract which funds a qualified defined contribution pension plan pursuant to Internal Revenue Code of 1986, sections 401(k), 403(b), and 457.

(c) Notwithstanding the definition of contractual obligation contained in paragraphs (a) and (b), contractual obligation does not include any obligation to nonresident participants of a covered plan or to the plan sponsor, employer, trustee, or other party who owns the contract; in such cases, the association is obligated under this chapter only to participants in a covered

plan who are residents of the state of Minnesota on the date of impairment.

(d) Except as provided in paragraphs (a) and (b), contractual obligation does not include an unallocated annuity contract issued in connection with a defined benefit plan protected by the federal Pension Benefit Guaranty Corporation, or a contract issued to, or purchased at the direction of, any governmental bonding authorities, such as a municipal guaranteed investment contract.

Sec. 14. Minnesota Statutes 1990, section 61B.06, subdivision 7, is amended to read:

Subd. 7. [ASSIGNMENT; SUBROGATION.] (a) ~~Any~~ A person receiving benefits under sections 61B.01 to 61B.16 shall be ~~deemed~~ considered to have assigned rights under, and any causes of action relating to, the covered policy or contract to the association to the extent of the benefits received because of sections 61B.01 to 61B.16, whether the benefits are payments of or on account of contractual obligations or continuation of coverage, or provision of substitute or alternative coverages. The association may require an assignment to it of ~~the those~~ rights and causes of action by ~~any~~ a payee, policy or contract owner, beneficiary, insured, or annuitant as a condition precedent to the receipt of any rights or benefits conferred by sections 61B.01 to 61B.16 upon ~~the~~ that person. ~~The association shall be subrogated to these rights against the assets of any impaired insurer~~ The subrogation rights of the association include any rights that a person may have as a beneficiary of a plan covered under the Employee Retirement Income Security Act of 1974, United States Code, title 29, section 1003, as amended through December 31, 1991.

(b) The subrogation rights of the association under this subdivision shall have the same priority against the assets of the impaired or insolvent insurer as that of possessed by the person entitled to receive benefits under sections 61B.01 to 61B.16.

(c) In addition to paragraphs (a) and (b), the association has all common law rights of subrogation and other equitable or legal remedies that would have been available to the impaired or insolvent insurer or holder of a policy or contract with respect to that policy or contract.

Sec. 15. Minnesota Statutes 1991 Supplement, section 61B.12, subdivision 6, is amended to read:

Subd. 6. [NOTICE CONCERNING LIMITATIONS AND EXCLUSIONS.] ~~On and after January 1, 1992,~~ No person, including an insurer, agent, or affiliate of an insurer or agent, shall offer for sale in this state a covered life insurance, annuity, or health insurance policy or contract without delivering at the time of application for that policy or contract a separate notice in the form ~~the commissioner from time to time may approve for use in this state specified in subdivision 8,~~ relating to coverage provided by the Minnesota Life and Health Insurance Guaranty Association. The notice ~~must be signed by the applicant and kept on file by the person offering the policy or contract for sale. A copy of the signed notice must be given to the applicant may be part of the application.~~

Sec. 16. Minnesota Statutes 1990, section 61B.12, is amended by adding a subdivision to read:

Subd. 8. [FORM.] *The notice required under subdivision 6 must be in the following form:*

**"NOTICE CONCERNING POLICYHOLDER RIGHTS IN AN
INSOLVENCY UNDER THE MINNESOTA LIFE AND HEALTH
INSURANCE GUARANTY ASSOCIATION LAW**

If the insurer who issued your life, annuity, or health insurance policy becomes impaired or insolvent, you are entitled to compensation for your policy from the assets of that insurer. The amount you recover will depend on the financial condition of the insurer.

In addition, residents of Minnesota who purchase life insurance, annuities, or health insurance from insurance companies authorized to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes financially impaired or insolvent. This protection is provided by the Minnesota Life and Health Insurance Guaranty Association.

*Minnesota Life & Health Insurance Guaranty Association
1750 Hennepin Avenue
Minneapolis, Minnesota 55403
(612) 377-2101*

The maximum amount the guaranty association will pay for all policies issued on one life by the same insurer is limited to \$300,000. Subject to this \$300,000 limit, the guaranty association will pay up to \$100,000 in life insurance cash surrender values, \$300,000 in life insurance death benefits, or up to \$300,000 for other types of benefits. These are the maximum claim amounts. Coverage by the guaranty association is also subject to other substantial limitations and exclusions and requires continued residency in Minnesota. If your claim exceeds the guaranty association's limits, you may still recover a part or all of that amount from the proceeds of the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The guaranty association assesses insurers licensed to sell life and health insurance in Minnesota after the insolvency occurs. Claims are paid from this assessment.

THE COVERAGE PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU SHOULD NOT RELY ON COVERAGE BY THE GUARANTY ASSOCIATION.

THIS NOTICE IS REQUIRED BY MINNESOTA STATE LAW TO ADVISE POLICYHOLDERS OF LIFE, ANNUITY, OR HEALTH INSURANCE POLICIES OF THEIR RIGHTS IN THE EVENT THEIR INSURANCE CARRIER BECOMES FINANCIALLY INSOLVENT. THIS NOTICE IN NO WAY IMPLIES THAT THE COMPANY CURRENTLY HAS ANY TYPE OF FINANCIAL PROBLEMS. ALL LIFE, ANNUITY, AND HEALTH INSURANCE POLICIES ARE REQUIRED TO PROVIDE THIS NOTICE."

Sec. 17. Minnesota Statutes 1990, section 61B.12, is amended by adding a subdivision to read:

Subd. 9. [NOTICE FOR POLICY OR CONTRACT NOT COVERED.] A policy or contract not covered by the Minnesota Life and Health Insurance Guaranty Association or the Minnesota Insurance Guaranty Association must contain the following notice in 10 point type, stamped in red ink on

the policy or contract and the application:

“THIS POLICY OR CONTRACT IS NOT PROTECTED BY THE MINNESOTA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION OR THE MINNESOTA INSURANCE GUARANTY ASSOCIATION. IN THE CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED. ONLY THE ASSETS OF THIS INSURER WILL BE AVAILABLE TO PAY YOUR CLAIM.”

Page 10, line 29, delete “11” and insert “9, 11 to 14, and 18”

Page 10, line 30, after the period, insert “*Sections 13 and 14 are intended to clarify existing law and apply to all covered policies or contracts issued or renewed by insurers which become insolvent after May 27, 1977.*”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert “requiring notice; regulating business transacted with a producer controlled insurer; modifying various provisions relating to the guaranty association;”

Page 1, line 4, delete “and”

Page 1, line 5, after the semicolon, insert “61B.03, subdivision 5; 61B.06, subdivision 7; and 61B.12, by adding subdivisions;”

Page 1, line 6, after “sections” insert “60A.031, subdivision 1;”

Page 1, line 8, delete “and” and after the semicolon, insert “61A.28, subdivision 1; and 61B.12, subdivision 6;”

Page 1, line 9, delete “chapter 60C” and insert “chapters 60C; and 60J”

Page 1, line 10, delete “section” and insert “sections 60J.01; 60J.02; 60J.03; 60J.04; 60J.05; and”

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. 2369 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.
2369	2242				

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. 2551 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.
2551	2413				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2551 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2551 and insert the language after the enacting clause of S.F. No. 2413, the first engrossment; further, delete the title of H.F. No. 2551 and insert the title of S.F. No. 2413, the first engrossment.

And when so amended H.F. No. 2551 will be identical to S.F. No. 2413, and further recommends that H.F. No. 2551 be given its second reading and substituted for S.F. No. 2413, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2254 for comparison with companion Senate File, reports the following House File was found 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.
2254	2049				

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. 2082 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.
2082	2320				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2082 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2082 and insert the language after the enacting clause of S.F. No. 2320, the first engrossment; further, delete the title of H.F. No. 2082 and insert the title of S.F. No. 2320, the first engrossment.

And when so amended H.F. No. 2082 will be identical to S.F. No. 2320, and further recommends that H.F. No. 2082 be given its second reading and substituted for S.F. No. 2320, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2792 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.
2792	2581				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2384 and 2463 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1889, 2369, 2551, 2254, 2082 and 2792 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Pappas moved that the name of Mr. Marty be added as a co-author to S.F. No. 1156. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. McGowan be added as a co-author to S.F. No. 2316. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 2652. The motion prevailed.

Mr. Belanger introduced—

Senate Resolution No. 131: A Senate resolution congratulating the Bloomington Jefferson Jaguars Hockey Team for winning the 1992 Tier I State High School Hockey Tournament.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 1905: A bill for an act relating to education; clarifying the debt service equalization program; authorizing a levy adjustment; amending Minnesota Statutes 1991 Supplement, section 124.95, subdivisions 1 and 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [APPROPRIATIONS.]

Subdivision 1. The sums in the column under “APPROPRIATIONS” are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this section.

APPROPRIATIONS

§

Subd. 2. Minnesota Library for the Blind and Physically Handicapped 1,325,000

To the commissioner of administration to construct and equip an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

Subd. 3. Maximum Effort School Loans 12,130,000

To the commissioner of education from the maximum effort school loan fund to make debt service loans and capital loans to school districts as provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plan and budgets of the projects and may reduce the amount of a loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

\$10,000,000 is approved for a capital loan to independent school district No. 38, Red Lake public schools for construction of a new elementary school and remodeling of the present elementary school into a middle school facility.

\$2,130,000 is approved for a capital loan to independent school district No. 139, Rush City public

schools for construction of a new high school.

*Subd. 4. School District
Construction Grant*

2,000,000

To the commissioner of education to make grants for construction of a secondary facility for school districts. The grants may not be awarded until each district has passed a referendum under Minnesota Statutes, section 122.23 or 122.243, and the project has received a positive review and comment under Minnesota Statutes, section 121.15.

\$500,000 is for independent school district No. 145, Glyndon-Felton.

\$1,500,000 is for independent school district No. 147, Dilworth.

*Subd. 5. Development and Learning
Center of Minnesota*

250,000

To the Minnesota development and learning center commission to conduct a site study and program study for the Minnesota development and learning center in the capitol complex.

The Minnesota development and learning center commission is created. The commission consists of three members of the house of representatives appointed by the speaker of the house and three members of the senate appointed by the subcommittee on committees of the committee on rules and administration of the senate. The six legislative members may appoint as many additional public members as they deem appropriate. The studies shall be the responsibility of the commission and a report of the studies shall be submitted to the governor and legislature by December 15, 1992.

Sec. 2. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$3,575,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$12,130,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for maximum effort school loans, secondary facilities, the Minnesota development and learning center, and other purposes; authorizing sale of state bonds."

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 1905. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 1905. The motion prevailed. Amendments adopted. Report adopted.

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

S. F. No. 1794: A bill for an act relating to state government; appointments of department heads and members of administrative boards and agencies; clarifying procedures and requirements; amending Minnesota Statutes 1990, sections 15.0575, subdivision 4; 15.06, subdivision 5; and 15.066, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kelly	Moe, R.D.	Reichgott
Belanger	Flynn	Knaak	Mondale	Renneke
Benson, D.D.	Frank	Kroening	Morse	Riveness
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Sams
Berg	Frederickson, D.R.	Langseth	Novak	Samuelson
Berglin	Gustafson	Larson	Olson	Spear
Bernhagen	Hottinger	Lessard	Pappas	Stumpf
Bertram	Hughes	Luther	Pariseau	Terwilliger
Brataas	Johnson, D.E.	McGowan	Piper	Traub
Cohen	Johnson, D.J.	Mehrrens	Pogemiller	Vickerman
Davis	Johnson, J.B.	Merriam	Price	Waldorf
Day	Johnston	Metzen	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2328: A bill for an act relating to drivers' licenses; eliminating requirement for drivers of special transportation vehicles to take examination for license endorsement; making technical changes; amending Minnesota

Statutes 1991 Supplement, sections 171.01, subdivision 24; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.323, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kelly	Mondale	Renneke
Belanger	Flynn	Kroening	Morse	Riveness
Benson, D.D.	Frank	Laidig	Neuville	Sams
Benson, J.E.	Frederickson, D.J.	Langseth	Novak	Samuelson
Berg	Frederickson, D.R.	Larson	Olson	Spear
Berglin	Gustafson	Lessard	Pappas	Stumpf
Bernhagen	Hottinger	Luther	Pariseau	Terwilliger
Bertram	Hughes	Marty	Piper	Traub
Brataas	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.J.	Mehrkens	Price	Waldorf
Davis	Johnson, J.B.	Metzen	Ranum	
Day	Johnston	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1813: A bill for an act relating to education; allowing children to attend school for 30 days without participating in early childhood developmental screening; allowing parents to decline to provide certain information without penalty; adding health history as an optional screening component; adding height and weight as a required component; amending Minnesota Statutes 1991 Supplement, section 123.702, subdivisions 1, 1a, 1b, 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kelly	Moe, R.D.	Reichgott
Belanger	Flynn	Knaak	Mondale	Renneke
Benson, D.D.	Frank	Kroening	Morse	Riveness
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Sams
Berg	Frederickson, D.R.	Langseth	Novak	Samuelson
Berglin	Gustafson	Larson	Olson	Spear
Bernhagen	Hottinger	Lessard	Pappas	Stumpf
Bertram	Hughes	Luther	Pariseau	Terwilliger
Brataas	Johnson, D.E.	Marty	Piper	Traub
Cohen	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Davis	Johnson, J.B.	Mehrkens	Price	Waldorf
Day	Johnston	Metzen	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2177: A bill for an act relating to juries; prohibiting exclusion from jury service based on a disability; amending Minnesota Statutes 1990, section 593.32.

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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kelly	Metzen	Ranum
Belanger	Flynn	Knaak	Moe, R.D.	Reichgott
Benson, D.D.	Frank	Kroening	Mondale	Renneke
Benson, J.E.	Frederickson, D.J.	Laidig	Morse	Riveness
Berg	Frederickson, D.R.	Langseth	Neuville	Samuelson
Berglin	Gustafson	Larson	Novak	Spear
Bernhagen	Hottinger	Lessard	Olson	Stumpf
Bertram	Hughes	Luther	Pappas	Terwilliger
Brataas	Johnson, D.E.	Marty	Pariseau	Traub
Cohen	Johnson, D.J.	McGowan	Piper	Vickerman
Davis	Johnson, J.B.	Mehrkens	Pogemiller	Waldorf
Day	Johnston	Merriam	Price	

So the bill passed and its title was agreed to.

S.F. No. 1985: A bill for an act relating to human rights; declaring a state policy of zero tolerance of violence; encouraging state agencies to act to implement the policy; proposing coding for new law in Minnesota Statutes, chapters 1 and 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Moe, R.D.	Reichgott
Beckman	Flynn	Knaak	Mondale	Renneke
Belanger	Frank	Kroening	Morse	Riveness
Benson, D.D.	Frederickson, D.J.	Laidig	Neuville	Sams
Benson, J.E.	Frederickson, D.R.	Larson	Novak	Samuelson
Berglin	Gustafson	Lessard	Olson	Spear
Bernhagen	Hottinger	Luther	Pappas	Stumpf
Bertram	Hughes	Marty	Pariseau	Terwilliger
Brataas	Johnson, D.E.	McGowan	Piper	Traub
Cohen	Johnson, D.J.	Mehrkens	Pogemiller	Vickerman
Davis	Johnson, J.B.	Merriam	Price	Waldorf
Day	Johnston	Metzen	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 1691: A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, 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 58 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Riveness
Beckman	DeCramer	Kelly	Moe, R. D.	Sams
Belanger	Dicklich	Knaak	Mondale	Samuelson
Benson, D.D.	Flynn	Kroening	Neuville	Solon
Benson, J.E.	Frank	Laidig	Novak	Spear
Berg	Frederickson, D.J.	Langseth	Olson	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Hughes	Luther	Piper	Vickerman
Brataas	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Price	
Davis	Johnson, J.B.	Merriam	Renneke	

Those who voted in the negative were:

Hottinger	Marty	Morse	Ranum	Reichgott
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So the bill passed and its title was agreed to.

S.F. No. 2257: A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Mondale	Riveness
Beckman	Dicklich	Knaak	Morse	Sams
Belanger	Flynn	Kroening	Neuville	Samuelson
Benson, D.D.	Frank	Laidig	Novak	Solon
Benson, J.E.	Frederickson, D.J.	Langseth	Olson	Spear
Berg	Frederickson, D.R.	Larson	Pappas	Stumpf
Berglin	Gustafson	Lessard	Pariseau	Terwilliger
Bernhagen	Hottinger	Luther	Piper	Traub
Bertram	Hughes	Marty	Pogemiller	Vickerman
Brataas	Johnson, D.E.	McGowan	Price	
Cohen	Johnson, D.J.	Mehrkens	Ranum	
Davis	Johnson, J.B.	Metzen	Reichgott	
Day	Johnston	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1605: A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling, licensed organizations, distributors, and manufacturers; authorizing certain expenditures for senior citizens, real estate taxes and assessments, noncash gifts for blood donors, wildlife management projects, and the combined receipts tax as lawful purposes; placing employment restrictions on members or employees of the board; changing requirements for the annual financial audit; increasing the aggregate value of cover-all prizes and total prizes for bingo; adding bonanza bingo as a form of bingo; increasing maximum prizes for pull-tabs; amending Minnesota Statutes 1990, sections 299L.03, subdivisions 1 and 2; 349.12, subdivisions 1, 11, 18, 21, 23, 30, and by adding a subdivision; 349.153; 349.16, subdivision 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 4, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166; 349.168, subdivisions 3 and 6; 349.169, subdivision 2; 349.174; 349.18, subdivision 2; 349.19, subdivision 6; 349.191, subdivisions 1 and 4; 349.211, subdivisions 1, 2, and 2a; 349.2124; 349.2125, subdivisions 1 and 3; and 349.2127,

subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 299L.07, by adding a subdivision; 349.12, subdivision 25; 349.17, subdivision 5; 349.151, subdivision 4; 349.154, subdivision 2; 349.167, subdivision 4; 349.18, subdivisions 1 and 1a; 349.19, subdivisions 5 and 9; and 349.213, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 471.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Reichgott
Beckman	DeCramer	Kelly	Moe, R. D.	Renneke
Belanger	Dicklich	Knaak	Mondale	Riveness
Benson, D.D.	Flynn	Kroening	Morse	Sams
Benson, J.E.	Frank	Laidig	Neuville	Samuelson
Berg	Frederickson, D.J.	Langseth	Novak	Solon
Berglin	Frederickson, D.R.	Larson	Olson	Spear
Bernhagen	Gustafson	Lessard	Pappas	Stumpf
Bertram	Hottinger	Luther	Pariseau	Terwilliger
Brataas	Hughes	Marty	Piper	Traub
Chmielewski	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Cohen	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. 2338: A bill for an act relating to commerce; authorizing the local government units to regulate tanning facilities; requiring licenses; providing exemptions; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 461.

With the unanimous consent of the Senate, Ms. Pappas moved to amend S.F. No. 2338 as follows:

Page 8, line 36, delete "PROHIBITED USE;"

Page 9, delete lines 1 to 3

Page 9, line 4, delete "*Subd. 2.* [CONSENT REQUIRED.]"

The motion prevailed. So the amendment was adopted.

S.F. No. 2338 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 37 and nays 26, as follows:

Those who voted in the affirmative were:

Beckman	Frederickson, D.J.	Langseth	Morse	Riveness
Berglin	Frederickson, D.R.	Larson	Neuville	Solon
Bertram	Hughes	Luther	Novak	Spear
Chmielewski	Johnson, D.J.	Marty	Pappas	Traub
Davis	Johnson, J.B.	Merriam	Piper	Waldorf
DeCramer	Kelly	Metzen	Price	
Flynn	Kroening	Moe, R. D.	Reichgott	
Frank	Laidig	Mondale	Renneke	

Those who voted in the negative were:

Adkins	Brataas	Johnston	Pariseau	Terwilliger
Belanger	Day	Knaak	Pogemiller	Vickerman
Benson, D.D.	Dicklich	Lessard	Ranum	
Benson, J.E.	Gustafson	McGowan	Sams	
Berg	Hottinger	Mehrkens	Samuelson	
Bernhagen	Johnson, D.E.	Olson	Stumpf	

So the bill, as amended, was passed and its title was agreed to.

S.F. No. 2392: A bill for an act relating to state parks; authorizing additions to and deletions from certain state parks; authorizing an easement and regulating campground use at McCarthy Beach state park.

Was read the third time 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	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Kelly	Mondale	Riveness
Belanger	Dicklich	Knaak	Morse	Sams
Benson, D.D.	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Larson	Olson	Spear
Berglin	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bernhagen	Gustafson	Luther	Pariseau	Terwilliger
Bertram	Hottinger	Marty	Piper	Traub
Brataas	Hughes	McGowan	Pogemiller	Vickerman
Chmielewski	Johnson, D.E.	Mehrkens	Price	Waldorf
Cohen	Johnson, D.J.	Merriam	Ranum	
Davis	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1787: A bill for an act relating to state lands; changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the sale of surplus land bordering public waters for public use; authorizing public sale of certain tax-forfeited lands that border public water in Fillmore county; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Kelly	Mondale	Riveness
Belanger	Dicklich	Knaak	Morse	Sams
Benson, D.D.	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Larson	Olson	Spear
Berglin	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bernhagen	Gustafson	Luther	Pariseau	Terwilliger
Bertram	Hottinger	Marty	Piper	Traub
Brataas	Hughes	McGowan	Pogemiller	Vickerman
Chmielewski	Johnson, D.E.	Mehrkens	Price	Waldorf
Cohen	Johnson, D.J.	Merriam	Ranum	
Davis	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1735: A bill for an act relating to children; authorizing criminal background checks of professional and volunteer children's service workers; establishing procedures for the sharing of criminal record data with children's service providers; protecting privacy rights of subjects of the background checks; proposing coding for new law in Minnesota Statutes, chapter 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Kelly	Mondale	Riveness
Belanger	Dicklich	Knaak	Morse	Sams
Benson, D.D.	Flynn	Kroening	Neuville	Samuelson
Benson, J.E.	Frank	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Langseth	Olson	Spear
Berglin	Frederickson, D.R.	Larson	Pappas	Stumpf
Bernhagen	Gustafson	Lessard	Pariseau	Terwilliger
Bertram	Hottinger	Luther	Piper	Traub
Brataas	Hughes	Marty	Pogemiller	Vickerman
Chmielewski	Johnson, D.E.	McGowan	Price	Waldorf
Cohen	Johnson, D.J.	Merriam	Ranum	
Davis	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 2247, 2094, 2028, 1914, 2299, 2694, 2437, 1778, 2408, 2282, 1970, 2412, 2531, 1558, 2430, 1139, 1938 and H.F. Nos. 980, 2142, 2397, which the committee recommends to pass.

S.F. No. 1319, which the committee recommends to pass with the following amendment offered by Mr. Metzen:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any 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;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995; or

(15) *the sole shareholder of a corporation from appearing on behalf of the corporation in court.*"

Delete the title and insert:

"A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3."

The motion prevailed. So the amendment was adopted.

S.F. No. 2383, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Page 1, line 21, before "and" insert "*the sheriffs of the participating counties,*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2298, which the committee recommends to pass with the following amendment offered by Mr. Price:

Page 3, delete section 4

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2111, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 5, after line 27, insert:

"Sec. 2. [APPLICATION.]

Section 1 does not affect the validity of a declaration that does not contain the provisions of section 1, if the declaration is otherwise substantially in the form in Minnesota Statutes, section 145B.04."

The motion prevailed. So the amendment was adopted.

S.F. No. 1841, which the committee recommends to pass with the following amendment offered by Mr. Mondale:

Delete everything after the enacting clause and insert:

“Section 1. [325F.79] [DEFINITIONS.]

For purposes of sections 1 to 3, the following definitions apply:

(a) “Animal” means a dog, wholly or in part of the species *Canis familiaris*, or a cat, wholly or in part of the species *Felis domesticus*.

(b) “Pet dealer” means any person, firm, partnership, corporation, or association, including breeders, that is required to collect sales tax for the sale of animals to the public. Pet dealer does not include humane societies, nonprofit organizations performing the functions of humane societies, or animal control agencies.

(c) “Breeder” means any person, firm, partnership, corporation, or association that breeds animals for direct or indirect sale to the public.

(d) “Broker” means a person, firm, partnership, corporation, or association that purchases animals for resale to other brokers or pet dealers.

(e) “Health problem” means any disease, illness, or congenital or hereditary condition which would impair the health or function of the animal that is apparent at the time of sale, or which should have been apparent to the seller from the veterinary history of the animal.

(f) “Veterinarian” means a licensed veterinarian in the state of Minnesota.

Sec. 2. [325F.791] [SALES OF DOGS AND CATS.]

Subdivision 1. [DISCLOSURE.] Every pet dealer shall deliver to each retail purchaser of an animal written disclosure as follows:

(a) *The name, address, and USDA license number of the breeder and any broker who has had possession of the animal; the date of the animal’s birth; the date the pet dealer received the animal; the breed, sex, color, and identifying marks of the animal; the individual identifying tag, tattoo, or collar number; the name and registration number of the sire and dam and the litter number; and a record of inoculations, worming treatments, and medication received by the animal while in the possession of the pet dealer.*

(b) *A statement signed by the pet dealer that the animal has no known health problem, or a statement signed by the pet dealer disclosing any known health problem and a statement signed by a veterinarian that recommends necessary treatment.*

The disclosure shall be made part of the statement of consumer rights set forth in subdivision 10. The disclosure required in paragraph (a) need not be made for mixed breed animals if the information is not available and cannot be determined by the pet dealer.

Subd. 2. [RECORDS.] The pet dealer shall maintain, for one year, a copy of the statement of consumer rights delivered to the purchaser.

Subd. 3. [REGISTRATION.] A pet dealer who represents an animal as eligible for registration with an animal pedigree organization shall provide the retail purchaser, within 90 days of final payment, the documents necessary for registration. If these documents are not received from the pet dealer, the purchaser may retain the animal and receive a refund of 50 percent of the purchase price, or return the animal, along with all documentation previously provided, and receive a full refund. The pet dealer shall not be responsible for delays in registration which are the result of

persons other than the pet dealer.

Subd. 4. [HEALTH.] No animal may be offered for sale by a broker or pet dealer to a retail purchaser until the animal has been examined by a veterinarian. The veterinarian used by the broker shall not be the same veterinarian used by the pet dealer. If the pet dealer is not the breeder of the animal, each animal shall be examined within two days after receipt of the animal by a pet dealer and within four days of delivery of the animal to the purchaser by the pet dealer. The cost of the examination shall be paid by the pet dealer.

Subd. 5. [RESPONSIBILITIES OF PURCHASER.] To obtain the remedies provided in subdivision 6, the purchaser shall with respect to an animal with a health problem:

(a) Notify the pet dealer, within two business days, of the diagnosis by a veterinarian of a health problem and provide the pet dealer with the name and telephone number of the veterinarian and a copy of the veterinarian's report on the animal.

(b) If the purchaser wishes to receive a full refund for the animal, return the animal no later than two business days after receipt of a written statement from a veterinarian indicating the animal is unfit due to a health problem.

With respect to a dead animal the purchaser must provide the pet dealer a written statement from a veterinarian, indicating the animal died from a health problem which existed on or before the receipt of the animal by the purchaser.

Subd. 6. [RIGHTS OF THE PURCHASER.] If, within ten days after receipt of the animal by the purchaser, a veterinarian states, in writing, that the animal has a health problem which existed in the animal at the time of delivery, or if within one year after receipt of the animal by the purchaser, a veterinarian states, in writing, that the animal has died or is ill due to a hereditary or congenital defect, or is not of the breed type represented, the animal shall be considered to have been unfit for sale at the time of sale.

In the event an animal dies due to a health problem which existed in the animal at the time of delivery to the purchaser, the pet dealer shall provide the purchaser with one of the following remedies selected by the purchaser: receive an animal, of equal value, if available, and reimbursement for reasonable veterinary fees, such reimbursements not to exceed the original purchase price of the animal; or receive a refund of the full purchase price.

In the event of a health problem, which existed at the time of delivery to the purchaser, the pet dealer shall provide the purchaser with one of the following remedies selected by the purchaser: return the animal to the pet dealer for a refund of the full purchase price; exchange the animal for an animal of the purchaser's choice of equivalent value, providing a replacement is available; or retain the animal, and receive reimbursement for reasonable veterinary fees, such reimbursements not to exceed the original purchase price of the animal.

The price of veterinary service shall be deemed reasonable if the service is appropriate for the diagnosis and treatment of the health problem and the price of the service is comparable to that of similar service rendered by other veterinarians in proximity to the treating veterinarian.

Subd. 7. [RIGHTS OF PET DEALER.] No refund, replacement, or reimbursement of veterinary fees shall be required if any one or more of the following conditions exist:

(a) The health problem or death resulted from maltreatment, neglect, or a disease contracted while in the possession of the purchaser, or from an injury sustained subsequent to receipt of the animal by the purchaser.

(b) A veterinarian's statement was provided to the purchaser pursuant to subdivision 1, paragraph (b), which disclosed the health problem for which the purchaser seeks to return the animal.

(c) The purchaser fails to carry out recommended treatment prescribed by the examining veterinarian, pursuant to subdivision 1, paragraph (b).

Subd. 8. [CONTEST.] (a) In the event that a pet dealer wishes to contest a demand for the relief specified in subdivision 3 or 6, the pet dealer may require the purchaser to produce the animal for examination or autopsy by a veterinarian designated by the pet dealer. The pet dealer shall pay the cost of this examination or autopsy. The pet dealer shall have a right of recovery against the purchaser if the pet dealer is not obligated to provide a remedy under subdivision 6.

(b) If the pet dealer does not provide the relief selected by the purchaser set forth in subdivision 3 or 6, the purchaser may initiate a court action.

(c) The prevailing party in the court action shall have the right to recover costs and reasonable attorney fees not to exceed \$500.

Subd. 9. [POSTED NOTICE.] Every pet dealer shall post in a prominent location of the facility, a notice, in 48-point bold-face type, containing the following language:

"Information on all dogs and cats is available. You are entitled to a statement of consumer rights. Make sure you receive this statement at the time of purchase."

Subd. 10. [STATEMENT OF CONSUMER RIGHTS.] Every pet dealer shall provide the retail purchaser a written notice of rights, which shall be signed by the purchaser, acknowledging that the purchaser has reviewed the notice, and signed by the pet dealer certifying the accuracy of the information contained in it. A signed copy shall be retained by the pet dealer and one given to the purchaser. The notice shall be in 16-point bold-face type and shall state as follows:

**"A STATEMENT OF MINNESOTA LAW GOVERNING
THE SALE OF DOGS AND CATS**

The sale of dogs and cats is subject to consumer protection regulations. Minnesota law also provides safeguards to protect pet dealers and animal purchasers. Attached is a copy of Minnesota Statutes, section 325F.79. Contained within this law is a statement of your consumer rights."

The statement of consumer rights shall also contain or have attached the disclosures required under subdivision 1.

Subd. 11. [LIMITATION.] Nothing in this subdivision shall limit the rights or remedies which are otherwise available to a purchaser under any other law. Any agreement or contract by a purchaser to waive any rights under this chapter shall be null and void and shall be unenforceable.

Sec. 3. [325F.792] [ADDITIONAL PENALTIES.]

Subdivision 1. [CRIMINAL PENALTY.] A violation of any United States Department of Agriculture statute or regulation covering animal breeders or groomers, pet dealers, or the transportation of dogs or cats is a misdemeanor.

Subd. 2. [CIVIL PENALTY.] (a) A pet dealer who:

(1) sells an animal without delivery of the disclosure required in section 2, subdivision 1;

(2) fails to maintain the records required by section 2, subdivision 2;

(3) fails to provide registration papers as provided in section 2, subdivision 3;

(4) fails to make or provide payment for the examinations required by section 2, subdivision 4;

(5) fails to post the notice required by section 2, subdivision 9; or

(6) fails to provide the statement of consumer rights required by section 2, subdivision 10,

is subject to a civil fine of up to \$1,000 per violation.

(b) Civil fines collected under this subdivision shall be collected by the court and turned over to the prosecuting attorney.

Sec. 4. [EFFECTIVE DATE.]

This act is effective December 1, 1992."

Delete the title and insert:

"A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by pet dealers; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F."

The motion prevailed. So the amendment was adopted.

S.F. No. 1876, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Pages 2 and 3, delete sections 2 and 3

Amend the title as follows:

Page 1, line 4, delete "and for investigating physicians"

Page 1, line 5, delete everything after "amending"

Page 1, line 6, delete everything before "Minnesota"

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.

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. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 2368, 2728, 1805, 2234, 2628, 2352, 2037 and H.F. Nos. 2704, 1763, 1249, which the committee recommends to pass.

S.F. No. 2088, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Page 1, delete section 1

Page 4, delete sections 4 and 5

Renumber the sections in sequence

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.

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. 2539, 2540, 2541 and 2561. The motion prevailed.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1824: A bill for an act relating to health; regulating ionizing radiation; delaying the effective date of existing quality assurance rules; requiring the adoption of quality assurance rules for the practice of dentistry.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, delete lines 9 to 17 and insert:

"Subdivision 1. [DELAY OF APPLICATION OF PARTS OF EXISTING RULES.] Except as they relate to mammographic procedures, Minnesota Rules, parts 4730.1655; 4730.1670; 4730.1675, subpart 1; 4730.1688; 4730.1690, subpart 1; and 4730.1691, subparts 1 to 3, 4, items A to I and K, subparts 7, 9, and 11, items A to D and F, and subpart 12, are not effective before July 1, 1993. Unless amended pursuant to subdivision 2, all of the rules cited in this subdivision are effective July 1, 1993.

Subd. 2. [RULEMAKING.] The commissioner of health shall review the rules listed in subdivision 1 in order to determine their appropriateness for and application to medical, dental, chiropractic, podiatric, osteopathic, and veterinary medicine facilities. As part of this review the commissioner shall consult with those health-related licensing boards defined in section 214.01 which are subject to the provisions of the ionizing radiation rules,

and the commissioner shall also consult with representatives of the affected health care professions."

Amend the title as follows:

Page 1, line 2, after "health;" insert "delaying the effective date of rules"

Page 1, delete lines 3 to 5 and insert "requiring a study."

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. 2211: A bill for an act relating to human services; providing for a pilot project for improved mental health services delivery system in Dakota county for adults with serious and persistent 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. [MENTAL HEALTH SERVICES DELIVERY SYSTEM PILOT PROJECT IN DAKOTA COUNTY.]

Subdivision 1. [AUTHORIZATION FOR PILOT PROJECT.] (a) Notwithstanding Minnesota Statutes, section 256E.05, subdivision 3a, after July 1, 1992, the commissioner of human services shall establish a pilot project in Dakota county to test alternatives to the delivery of mental health services required under the Minnesota comprehensive adult mental health act, Minnesota Statutes, sections 245.461 to 245.486.

(b) The pilot project shall be established to design and plan an improved mental health services delivery system for adults with serious and persistent mental illness that would: (1) enhance consumer choice and flexibility; (2) maximize local community-based alternatives; (3) support persons in independent living arrangements; (4) enhance the person's ability to work; (5) ensure the person a place in the community; and (6) enhance the development of a strong community-based psychiatric program.

(c) By January 1, 1993, the pilot program shall develop a comprehensive proposal for integrated program funding which would permit flexibility in expenditures based on local needs with local control. The planning process shall include, but not be limited to, mental health consumers, health advocacy groups, Dakota county, and the department of human services.

The integrated funding proposal shall be presented to the state legislature for approval prior to implementation on July 1, 1993.

(d) The pilot project may include but not be limited to issues in the service delivery system relating to:

(1) financial assistance from the state and the ability to use existing funds flexibly to downsize residential facilities for persons with mental illness governed by Minnesota Rules, parts 9520.0500 to 9520.0690;

(2) joint collaboration or program development projects between counties to enhance efficiency and expand program opportunities in such areas as mental illness and chemical dependency, downsizing of residential facilities

for persons with mental illness, and residential or supported living arrangements for mothers with mental illness and their children;

(3) integrated program funding to permit flexibility in expenditures based on local needs with local control;

(4) flexibility in the delivery of case management services;

(5) waiver or removal of the rate cap and moratorium on negotiated rate facilities;

(6) broader usage and additional services to be covered under the medical assistance state plan rehabilitation option;

(7) prepaid managed health care programs; and

(8) commitment of persons under Minnesota Statutes, chapter 253B, to community facilities and programs.

(e) The integrated funding may include current mental health expenditures, including maintenance costs, from the following sources:

(1) general assistance medical care;

(2) general assistance;

(3) medical assistance;

(4) Minnesota supplemental aid;

(5) grants for residential services for adults with mental illness;

(6) grants for community support services programs for persons with serious and persistent mental illness; and

(7) mental health special project grants.

(f) The pilot project shall establish an opportunity to expand educational opportunities in the area of community-based psychiatry. The pilot project shall develop and may implement a psychiatric residency program at the Dakota Mental Health Center, Inc. The program may train at least one psychiatric resident per year. The program may contract with a psychiatric faculty member from a Minnesota medical school who will supervise the resident and assist in the development of a strong community-based psychiatric program.

(g) For purposes of the pilot project, for those persons committed under Minnesota Statutes, chapter 253B, and awaiting transfer to a regional treatment center, postcommitment costs of care will be added to the cost of care as provided for in Minnesota Statutes, sections 246.50, subdivision 5, and 246.54.

(h) An intergovernmental agreement or contract may be developed between the county and state to specify the terms of the pilot.

(i) Evaluation of the pilot project will be based on outcome evaluation criteria negotiated with the county prior to implementation of the pilot project.

(j) The pilot project shall be implemented after July 1, 1992.

(k) The pilot project shall be completed by July 1, 1997.

(l) A report on the pilot project must be completed by January 1, 1998, and a report presented to the commissioner.

Subd. 2. [DUTIES OF THE COMMISSIONER.] For purposes of the pilot project, the commissioner:

(1) shall combine all mental health program and funding plans into one comprehensive plan unless otherwise required by federal law. Any mental health expenditures from regional treatment center appropriations or any share of expenditures from mental health funding used for commitment to or treatment in a regional treatment center shall not become part of any comprehensive fund or plan;

(2) may waive administrative rule requirements for the duration of the pilot project status;

(3) may exempt the participating county from fiscal sanctions for non-compliance with social services requirements in laws and rules; and

(4) shall recommend legislative changes in the biennial state plan if the results of the pilot project indicate the need for legislative change.

Sec. 2. [APPROPRIATION.]

“\$500,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of human services for the Dakota county pilot project for improved mental health services delivery system to pay related costs and expenses.”

Amend the title as follows:

Page 1, line 5, before the period, insert “; appropriating money”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2540: A bill for an act relating to human services; home care; expanding duties of interagency long-term planning committee; clarifying definitions; regulating personal care services, funding for alternative care services, and private nursing services; providing for reimbursement for nursing facilities; providing for case assessments; expanding persons responsible for conducting preadmission screening; expanding funding for services for nonmedical assistance recipients; establishing a statewide caregiver support and respite care project; establishing traumatic brain injury case management; changing conditions under the SAIL project; adjusting the rate for home- and community-based waived services; amending Minnesota Statutes 1990, section 256B.0625, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.31, subdivision 2a; 256.9751, subdivisions 1 and 6; 256B.0625, subdivision 19a; 256B.0627, subdivisions 1, 4, and 5; 256B.0911, subdivisions 3, 7, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding a subdivision; 256B.093, subdivisions 1, 2, and 3; and 256B.49, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 256B; and 256I.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 144A.31, subdivision 2a, is amended to read:

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; *and*

(5) develop and implement strategies for advocating, promoting, and developing long-term care insurance and encourage insurance companies to offer long-term care insurance policies that are affordable and offer a wide range of benefits.

Sec. 2. Minnesota Statutes 1991 Supplement, section 256.9751, subdivision 1, is amended to read:

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 congregare housing services project, a project must have: (1) an on-site coordinator, and (2) a plan for ~~providing a minimum~~ *assuring the availability* of one meal per day, *seven days a week*, for each elderly participant; ~~seven days a week in need.~~

(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.

Sec. 3. Minnesota Statutes 1991 Supplement, section 256.9751, subdivision 6, is amended to read:

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 *plan* assures the availability of one meal a day, seven days a week, for ~~participants~~ *each elderly participant* 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.

Sec. 4. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 19a, is amended to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. Recipients *authorized to receive personal care in the home* who can direct their own care, or persons who cannot direct their own care when ~~accompanied~~ *authorized* 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~~ *the recipient's* own care or the recipient's legal guardian, *unless in the case of the foster care provider a county or state case manager visits the recipient as needed but not less than every six months to monitor the health and safety of the recipient and to ensure the goals of the plan of care are being met.* 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. ~~An exception for foster care providers may be made according to section 256B.0627, subdivision 5, paragraph (j).~~

Sec. 5. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19b. [PERSONAL CARE.] Medical assistance covers personal care services provided by an individual, not a relative, who is qualified to provide the services according to section 256B.0627, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. The commissioner shall not provide an annual inflation adjustment for the fiscal year ending June 30, 1993.

Sec. 6. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [~~DEFINITION~~ DEFINITIONS.] (a) "Home care services" means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan that is reviewed by the physician at least once every 60 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~~ health care facility or as specified in section 256B.0625.

(b) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) "Care plan" means a written description, signed by the recipient or the responsible party, of the services needed which shall, at a minimum, 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~~, and expected outcomes and goals including expected date of goal accomplishment.

(d) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the support care necessary to assist the recipient to live independently, is at least 18 years old, is not a personal care assistant, and does not have any direct financial interest in the provision of the personal care services. Responsible parties who are parents of minors or guardians of minors or incapacitated persons may delegate the responsibility to another adult during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of responsible party, except that the delegated responsible party is required to reside with the recipient only during the time that they are serving as the delegated responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home who cannot direct their own care if case management is being provided according to section 256B.0625, subdivision 19a.

Sec. 7. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 4, is amended to read:

Subd. 4. [PERSONAL CARE SERVICES.] (a) 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 *and eating, including minimal food preparation*;
 - (13) accompanying a recipient to obtain medical diagnosis or treatment;
 - (14) ~~helping~~ *assisting, monitoring, or prompting* 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 *authorized to be reimbursed by medical assistance* described in clauses (1) to (15).
- (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 developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or 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;
 - (4) *services provided by a foster care provider of a recipient who cannot direct their own care, unless ~~prior authorized by the commissioner under paragraph (j)~~ monitored by a county case manager under subdivision 19a;*
 - (5) sterile procedures;
 - (6) injections of fluids into veins, muscles, or skin;
 - (7) 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 part-time or 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;

(8) homemaker services that are not an integral part of a personal care services; and

(9) home maintenance, or chore services.

Sec. 8. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 5. is amended to read:

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to this subdivision.

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home 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) [LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits, or 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.

Providers may request a temporary authorization for home care services by telephone. Based on the assessment and care plan information provided by an appropriately licensed nurse, the department may approve a temporary level of home care services. Authorization under this authority for a temporary level of home care services is limited to the time specified by the commissioner, but shall not exceed 30 days. The level of services authorized

under this provision shall have no bearing on a future prior authorization.

(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 this subdivision 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) [ASSESSMENT AND CARE PLAN.] 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) [PRIOR AUTHORIZATION.] The 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 *complete request for prior authorization, assessment, and care plan*, authorize home care services as follows:

(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. *When home health services are used in combination with personal care and/or private duty nursing, the cost of all home care services shall be considered for cost effectiveness.*

(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 *comparable* case mix level, *plus additional hours for recipients who need additional personal care service hours to enable them to communicate with others, up to a maximum of 16 hours of personal care per day;*

(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 amount the commissioner would pay, 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. For purposes of this clause, home care services means all services provided in the home or community that would be included in the payment to a regional treatment center; 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 *calculated and* incorporated into the home care limits on July 1 each year. *These limits shall be calculated to the nearest quarter hour.*

(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 nonelderly 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 the recipient exhibits on a daily basis the following:

(A) self-injurious behavior;

(B) unusual or repetitive habits;

(C) withdrawal behavior;

(D) hurtful behavior to others;

(E) socially ~~or~~ offensive behavior;

(F) destruction of property; or

(G) a need for constant one-to-one supervision 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 *in quarter-hour units* 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 *cooperatively* applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined *by the appropriate regulatory agency* that a health benefit plan is *or is not* required to pay for *appropriate* medically necessary ~~nursing~~ health care services. *Recipients or their representatives must cooperatively assist the commissioner in obtaining this determination.* 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.

(4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is ventilator-dependent, the monthly medical assistance authorization for home care services shall not exceed what the commissioner would pay for 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.

(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a prior authorization shall remain valid. If the recipient continues to require home care services beyond the duration of the prior authorization, the home care provider must request a new prior authorization through the process described above. Under no circumstances shall a prior authorization be valid for more than 12 months.

(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, *the cost-effectiveness of services*, 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 cost of services*, the recipient's medical condition,

and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.

(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] ~~The department has 30 days from receipt of the request to complete the prior authorization, during which time it may approve 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. Providers may request a temporary authorization for home care services. The commissioner may approve a temporary level of home care services based on the assessment and care plan information provided by an appropriately licensed nurse. Authorization for a temporary level of home care services is limited to the time specified by the commissioner, but shall not exceed 30 days. The level of services authorized under this provision shall have no bearing on a future prior authorization.~~

(j) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Home care services provided in an adult or child foster care setting must receive prior 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~~ a county or state case manager visits the recipient as needed but no less than every six months to monitor the health and safety of the recipient and to ensure that the goals of the care plan are being met;

(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~~ there is a designated case manager as described in clause (2);

(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~~ other than room and board payments, plus home and community-based waiver services, that exceed the total amount that public funds would pay for the recipient's care in a medical institution.

Sec. 9. Minnesota Statutes 1991 Supplement, section 256B.0911, subdivision 3, is amended to read:

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. *If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse*

with at least one year experience in home care to participate on the team. 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 *and individuals who are admitted to a certified nursing facility on an emergency basis* 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.

Sec. 10. Minnesota Statutes 1991 Supplement, section 256B.0911, is amended by adding a subdivision to read:

Subd. 7a. [CASE MIX ASSESSMENTS.] The nursing facility is authorized to conduct all case mix assessments for persons who have been admitted to the facility prior to a preadmission screening. The county shall conduct the case mix assessment for all persons screened within ten working days prior to admission. The county retains the responsibility of distributing appropriate case mix forms to the nursing facility.

Sec. 11. Minnesota Statutes 1991 Supplement, section 256B.0911, subdivision 8, is amended to read:

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~~ 22 people appointed by the commissioner and must be comprised of representatives from public agencies, public and private service providers, *two representatives of nursing home associations*, and consumers from all areas of the state. Members of the advisory committee must not be compensated for service.

Sec. 12. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 4, is amended to read:

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 statewide 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 statewide average payment for nursing facility care is the statewide average monthly nursing facility rate 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. *The commissioner may authorize alternative care money to be used to meet a portion of a medical assistance income spend-down for persons residing in adult foster care who would otherwise be served under the alternative care program. The alternative care payment is limited to the difference between the recipient's negotiated foster care board and lodge rate and the medical assistance income standard for one elderly person plus the medical assistance personal needs allowance for a person residing in a long-term care facility. A person whose application for medical assistance is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance retroactive to the date of eligibility for the services provided that are reimbursable under the elderly waiver program.*

(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.

Sec. 13. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 5, is amended to read:

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. *The commissioner shall establish the adult foster care daily rate to correspond with the case mix classification system.*

(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. *A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor.*

(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 *greater of the statewide or regional* 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.

Sec. 14. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 8, is amended to read:

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. *The case manager must give the individual a ten-day written notice of any decrease in or termination of alternative care services.*

Sec. 15. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 11, is amended to read:

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) 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.

(f) 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.

Sec. 16. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. *The amount of the premium for the alternative care client shall be determined as follows:*

(1) when the alternative care client's gross income is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is zero;

(2) when the alternative care client's gross income is greater than 150 percent of the federal poverty guideline and total assets are less than \$6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's gross income, whichever is less; and

(3) when the alternative care client's total assets are greater than \$6,000, the fee is 25 percent of the cost of alternative care services. For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, if applicable.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the month in which the alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee.

(b) The fee shall be waived by the commissioner when:

(1) a person who is residing in a nursing facility is receiving case management only;

(2) a person is applying for medical assistance;

(3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;

(4) a person is a medical assistance recipient, but has been approved for alternative care funded assisted living services;

(5) a person is found eligible for alternative care, but is not yet receiving alternative care services;

(6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of their medical assistance spend-down, as authorized in subdivision 4; and

(7) a person's fee under paragraph (a) is less than \$25.

~~(b)~~ (c) 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. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall

collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

~~(e) The commissioner shall establish a premium schedule ranging from \$25 to \$75 \$500 per month based on the client's income and assets. The schedule is not subject to chapter 14, but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the schedule in final form. (d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium. Emergency or permanent rules governing client premiums supersede any schedule adopted under the exemption from chapter 14 in this section.~~

Sec. 17. Minnesota Statutes 1991 Supplement, section 256B.0915, subdivision 3, is amended to read:

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 statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate effective 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 *for both the elderly waiver and the disabled waiver* 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. 18. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 4. [TERMINATION NOTICE.] The case manager must give the individual a ten-day written notice of any decrease in or termination of waived services.

Sec. 19. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] A reassessment of a client served under the elderly or disabled waiver must be conducted at least every six months and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital.

Sec. 20. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 2, is amended to read:

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, a county board, or boards ~~under a joint powers agreement~~, must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area 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 Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and

(4) ensuring efficient services provision and nonduplication of funding.

(c) The board, or boards ~~under a joint powers agreement~~, shall designate

a public agency to serve as the lead agency. 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 semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. 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.

(e) The board, or boards ~~under a joint powers agreement,~~ shall apply to be selected as a project. If the project is selected, 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.

(f) 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.

(6) If more than one county applies for a specific project under this subdivision, all participating county boards must indicate intent to work cooperatively through individual board resolutions or a joint powers agreement.

Sec. 21. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 3, is amended to read:

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; and

(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.

Sec. 22. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 4, is amended to read:

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 of the Older Americans Act 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. *If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to conduct 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.

Sec. 23. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 5, is amended to read:

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) one or more living-at-home/block nurse projects, as described in subdivisions 7 to 10.

(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. *Targeted alternative care funds received through the SAIL project approval process may be transferred from one SAIL county to another within a designated SAIL project area during a fiscal year as authorized by the local long-term care coordinating team and approved by the commissioner. The base allocation used for a future year shall reflect the final transfer.* Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 12. 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.

Sec. 24. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 6, is amended to read:

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 assure the health and safety of the client; and

(3) provide training for caregivers and ensure that support groups are

available in the community.

(e) (b) 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) (c) 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 *within a designated SAIL project area* 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) (d) 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) (e) 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) (f) 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 16 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.

Sec. 25. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 7, is amended to read:

Subd. 7. [CONTRACT.] The commissioner of human services shall execute a contract with an organization experienced in establishing and operating community-based programs that have used the principles listed in subdivision 8, paragraph (b), in order to meet the independent living and health needs of senior citizens aged 65 and over and provide community-based long-term care for senior citizens in their homes. The organization awarded the contract shall:

(1) assist the commissioner in developing criteria for and in awarding grants to establish community-based organizations that will implement living-at-home/block nurse programs throughout the state;

(2) assist the commissioner in awarding grants to enable current living-at-home/block nurse programs to implement the combined living-at-home/block nurse program model;

(3) serve as a state technical assistance center to assist and coordinate the living-at-home/block nurse programs established; and

(4) develop the implementation plan required by subdivision 10.

Sec. 26. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 8, is amended to read:

Subd. 8. [LIVING-AT-HOME/BLOCK NURSE PROGRAM GRANT.]

(a) The commissioner, in cooperation with the organization awarded the contract under subdivision 7, shall develop and administer a grant program to establish ~~seven to ten~~ or expand up to 15 community-based organizations that will implement living-at-home/block nurse programs that are designed to enable senior citizens to live as independently as possible in their homes and in their communities. ~~Up to~~ At least seven of the programs must be in counties outside the seven-county metropolitan area. The living-at-home/block nurse program funds shall be available to the four to six SAIL projects established under this section. Nonprofit organizations and units of local government are eligible to apply for grants to establish the community organizations that will implement living-at-home/block nurse programs. In awarding grants, the commissioner shall give preference to nonprofit organizations and units of local government from communities that:

(1) have high nursing home occupancy rates;

(2) have a shortage of health care professionals; and

(3) meet other criteria established by the commissioner, in consultation with the organization under contract.

(b) Grant applicants must also meet the following criteria:

(1) the local community demonstrates a readiness to establish a community model of care, including the formation of a board of directors, advisory committee, or similar group, of which at least two-thirds is comprised of community citizens interested in community-based care for older persons;

(2) the program has sponsorship by a credible, representative organization within the community;

(3) the program has defined specific geographic boundaries and defined its organization, staffing and coordination/delivery of services;

(4) the program demonstrates a team approach to coordination and care, ensuring that the older adult participants, their families, the formal and informal providers are all part of the effort to plan and provide services; and

(5) the program provides assurances that all community resources and funding will be coordinated and that other funding sources will be maximized, including a person's own resources.

(c) Grant applicants must provide a minimum of five percent of total estimated development costs from local community funding. Grants shall be awarded for two-year periods, and the base amount shall not exceed \$40,000 per applicant for the grant period. The commissioner, in consultation with the organization under contract, may increase the grant amount for applicants from communities that have socioeconomic characteristics that indicate a higher level of need for development assistance.

(d) Each living-at-home/block nurse program shall be designed by representatives of the communities being served to ensure that the program addresses the specific needs of the community residents. The programs must be designed to:

(1) incorporate the basic community, organizational, and service delivery principles of the living-at-home/block nurse program model;

(2) provide senior citizens with registered nurse directed assessment, provision and coordination of health and personal care services on a sliding fee basis as an alternative to expensive nursing home care;

(3) provide information, support services, homemaking services, counseling, and training for the client and family caregivers;

(4) encourage the development and use of respite care, caregiver support, and in-home support programs, such as adult foster care and in-home adult day care;

(5) encourage neighborhood residents and local organizations to collaborate in meeting the needs of senior citizens in their communities;

(6) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to senior citizens and their caregivers; and

(7) provide coordination and management of formal and informal services to senior citizens and their families using less expensive alternatives.

Sec. 27. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 9, is amended to read:

Subd. 9. [STATE TECHNICAL ASSISTANCE CENTER.] The organization under contract shall be the state technical assistance center to provide orientation and technical assistance, and to coordinate the living-at-home/block nurse programs established. The state resource center shall:

(1) provide communities with criteria in planning and designing their living-at-home/block nurse programs;

(2) provide general orientation and technical assistance to communities who desire to establish living-at-home/block nurse programs; *and*

(3) provide ongoing analysis and data collection of existing and newly established living-at-home/block nurse programs and provide data to the ~~organization performing~~ *commissioner of human services* for the independent assessment; *and*

(4) serve as the living-at-home/block nurse programs' liaison to the legislature and other state agencies.

Sec. 28. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 10, is amended to read:

Subd. 10. [IMPLEMENTATION PLAN.] The organization under contract *in conjunction with the department* shall develop a plan that specifies a strategy for implementing living-at-home/block nurse programs statewide. The plan must also analyze the data collected by the state technical assistance center and describe the effectiveness of services provided by living-at-home/block nurse programs, including the program's impact on acute care costs. The organization shall report to the commissioner of human services ~~and to the legislature~~ by January 1, 1993.

Sec. 29. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 11, is amended to read:

Subd. 11. [SAIL EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the SAIL 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.

Sec. 30. Minnesota Statutes 1991 Supplement, section 256B.0919, subdivision 1, is amended to read:

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.~~

Sec. 31. [256B.0921] [STATEWIDE CAREGIVER SUPPORT AND RESPITE CARE PROJECT.]

(a) *The commissioner shall establish and maintain a statewide caregiver support and respite care project. The project 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 resource center;*

(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) An advisory committee shall be appointed to advise the caregiver support project on all aspects of the project including 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 section 256B.0917 and others established for caregivers.

The advisory committee shall consist of not more than 16 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.

Sec. 32. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [~~STATE COORDINATOR TRAUMATIC BRAIN INJURY CASE MANAGEMENT.~~] 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:

(1) establish and maintain statewide traumatic brain injury case management;

(2) designate a full-time position to supervise and coordinate services for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management; and

(4) establish an advisory committee to provide recommendations in a report to the department regarding program and service needs of persons with traumatic brain injuries.

Sec. 33. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 2, is amended to read:

Subd. 2. [~~ELIGIBILITY.~~] The commissioner may contract with qualified agencies or employ staff to provide statewide case management services to medical assistance recipients who are at risk of institutionalization and who are eligible for traumatic brain injury administrative case management must be eligible medical assistance recipients who have traumatic brain injury and:

(1) are at risk of institutionalization; or

(2) exceed limits established by the commissioner in section 256.0627, subdivision 5, paragraph (b).

Sec. 34. Minnesota Statutes 1991 Supplement, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [~~CASE MANAGEMENT DUTIES.~~] The department shall fund

case management under this subdivision using medical assistance administrative funds. Case management duties include:

(1) assessing the person's individual needs for services required to prevent institutionalization;

(2) ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;

(3) assisting the person in obtaining services necessary to allow the person to remain in the community;

(4) coordinating home care services with other medical assistance services under section 256B.0625;

(5) ensuring appropriate, accessible, and cost-effective medical assistance services;

(6) recommending 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 9505.0470 to 9505.0475~~ section 256B.0627;

(7) assisting the person with problems related to the provision of home care services;

(8) ensuring the quality of home care services;

(9) 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 *to pay* for out-of-state placements for traumatic brain injury services *and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals.*

Sec. 35. Minnesota Statutes 1991 Supplement, section 256B.49, subdivision 4, is amended to read:

Subd. 4. [INFLATION ADJUSTMENT.] ~~For the biennium ending June 30, 1993,~~ The commissioner of human services shall not provide an annual inflation adjustment for home and community-based waived services, except as provided in section 256B.491, subdivision 3; ~~and except that the commissioner shall provide an inflation adjustment for the community alternatives for disabled individuals (CAD) and community alternative care (CAC) waived services programs for the fiscal year beginning July 1, 1991.~~

Sec. 36. [256I.051] [RATE LIMITATION; WAIVERED SERVICES ELIGIBILITY.]

If a group residential housing rate for an adult foster care or board and lodging placement is for an individual who would be or is eligible for the home and community-based services, elderly, disabled, or chronically ill waivers, the group residential housing rate must include only the room and board portion of the rate. The room and board portion of the group residential housing rate is an amount equal to the total of:

(a) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone, specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(b) the maximum allotment authorized by the federal food stamp program

for a single individual in effect on the first day of July each year to be applied to persons who are not eligible to receive food stamps due to living arrangement; and less

(c) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Sec. 37. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; home care; expanding duties of interagency long-term planning committee; clarifying definitions; regulating personal care services, funding for alternative care services, and private nursing services; providing for case assessments; expanding persons responsible for conducting preadmission screening; expanding funding for services for nonmedical assistance recipients; establishing a statewide caregiver support and respite care project; establishing traumatic brain injury case management; changing conditions under the SAIL project; amending Minnesota Statutes 1990, section 256B.0625, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.31, subdivision 2a; 256.9751, subdivisions 1 and 6; 256B.0625, subdivision 19a; 256B.0627, subdivisions 1, 4, and 5; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, and 12; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 256B.0919, subdivision 1; 256B.093, subdivisions 1, 2, and 3; and 256B.49, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 256B; and 256I."

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.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2541: A bill for an act relating to human services; changing the required dates for certain residential day and support services plans; excluding certain providers of respite care services from licensing requirements; providing for alternative services for persons with mental retardation; providing grants to businesses that employ persons with mental retardation; providing medical assistance coverage for certain services; changing the distribution of certain case management grants to counties; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 252.291, subdivision 3; 256B.0625, by adding a subdivision; 256B.092, by adding a subdivision; 256B.501, by adding subdivisions; and 256E.14; Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 252.28, subdivision 1; 252.50, subdivision 2; 256B.092, subdivision 4; and 256I.05, subdivision 10; 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. Minnesota Statutes 1991 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities ~~seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions~~ shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons must meet Group R, Division 3, occupancy requirements; and

(2) Class B supervised living facilities for seven to 16 persons must meet Group R, Division 1, occupancy requirements.

(c) Class B facilities classified under paragraph (b), clauses (1) and (2), must meet the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, except that Class B facilities licensed prior to July 1, 1990, need only continue to meet institutional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after July 1, 1990, and housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces must be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

(d) The commissioner may license as a Class A supervised living facility a residential program for chemically dependent individuals that allows children to reside with the parent receiving treatment in the facility. The licensee of the program shall be responsible for the health, safety, and welfare of the children residing in the facility. The facility in which the program is located must be provided with a sprinkler system approved by the state fire marshal. The licensee shall also provide additional space and physical plant accommodations appropriate for the number and age of children residing in the facility. For purposes of license capacity, each child residing in the facility shall be considered to be a resident.

Sec. 2. Minnesota Statutes 1990, section 245A.02, is amended by adding a subdivision to read:

Subd. 15. [RESPITE CARE SERVICES.] “Respite care services” means temporary services provided to a person due to the absence or need for relief of the person’s family member or legal representative who is the primary caregiver and principally responsible for the care and supervision of the person. Respite care services are those that provide the level of supervision and care that is necessary to ensure the health and safety of the person. Respite care services do not include services that are specifically directed toward the training and habilitation of the person.

Sec. 3. Minnesota Statutes 1991 Supplement, 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;

(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, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, 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;

(21) unrelated individuals who provide out of home respite care services to persons with mental retardation or related conditions from a single related family for no more than 30 days in a 12-month period and the respite care services are for the temporary relief of the persons' family or legal representative; or

(22) respite care services provided as a home and community-based service to persons with mental retardation or a related condition in the persons' primary residence.

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to preschool programs administered by public schools that are similar to Minnesota Rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 4. Minnesota Statutes 1991 Supplement, section 252.275, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] Counties shall be reimbursed for all expenditures made pursuant to subdivision 1 at a rate of 70 percent, up to the allocation determined pursuant to subdivisions 4, 4a, and 4b. However, the commissioner shall not reimburse costs of services for any person if the costs exceed the state share of the average medical assistance costs for services provided by intermediate care facilities for a person with mental retardation or a related condition for the same fiscal year, and shall not reimburse costs of a one-time living allowance for any person if the costs exceed \$1,500 in a state fiscal year. ~~For the biennium ending June 30, 1993, the commissioner shall not reimburse costs in excess of the 85th percentile of hourly service costs based upon the cost information supplied to the legislature in the proposed budget for the biennium.~~ The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance of up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns.

Sec. 5. Minnesota Statutes 1991 Supplement, section 252.28, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATIONS; ~~BIENNIAL~~ REDETERMINATIONS.] In conjunction with the appropriate county boards, the commissioner of human services shall determine, and shall redetermine ~~biennially~~ *at least every four years*, the need, location, size, and program of public and private residential services and day training and habilitation services for persons with mental retardation or related conditions. This subdivision

does not apply to semi-independent living services and residential-based habilitation services provided to four or fewer persons at a single site funded as home and community-based services.

Sec. 6. Minnesota Statutes 1990, section 252.291, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF COMMISSIONER OF HUMAN SERVICES.] The commissioner shall:

(a) establish standard admission criteria for state hospitals and county utilization targets to limit and reduce the number of intermediate care beds in state hospitals and community facilities in accordance with approved waivers under United States Code, title 42, sections 1396 to 1396p, as amended through December 31, 1987, to assure that appropriate services are provided in the least restrictive setting;

(b) define services, including respite care, that may be needed in meeting individual service plan objectives;

(c) provide technical assistance so that county boards may establish a request for proposal system for meeting individual service plan objectives through home and community-based services; alternative community services; or, if no other alternative will meet the needs of identifiable individuals for whom the county is financially responsible, a new intermediate care facility for persons with mental retardation or related conditions;

(d) establish a client tracking and evaluation system as required under applicable federal waiver regulations, Code of Federal Regulations, title 42, sections 431, 435, 440, and 441, as amended through December 31, 1987; and

(e) develop a state plan for the delivery and funding of residential day and support services to persons with mental retardation or related conditions in Minnesota and submit that plan to the clerk of each house of the Minnesota legislature on or before ~~the 15th of January~~ *September 1* of each biennium beginning ~~January 15, 1985~~ *September 1, 1993*. The biennial mental retardation plan shall include but not be limited to:

- (1) county by county maximum intermediate care bed utilization quotas;
- (2) plans for the development of the number and types of services alternative to intermediate care beds;
- (3) procedures for the administration and management of the plan;
- (4) procedures for the evaluation of the implementation of the plan; and
- (5) the number, type, and location of intermediate care beds targeted for decertification.

The commissioner shall modify the plan to ensure conformance with the medical assistance home and community-based services waiver.

Sec. 7. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 20a. [CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR A RELATED CONDITION.] To the extent defined in the state Medicaid plan, case management service activities for persons with mental retardation or a related condition as defined in section 256B.092, and rules promulgated thereunder, are covered services under

medical assistance.

Sec. 8. Minnesota Statutes 1990, section 256B.092, is amended by adding a subdivision to read:

Subd. 2a. [MEDICAL ASSISTANCE FOR CASE MANAGEMENT ACTIVITIES UNDER THE STATE PLAN MEDICAID OPTION.] Upon receipt of federal approval, the commissioner shall make payments to approved vendors of case management services participating in the medical assistance program to reimburse costs for providing case management service activities to medical assistance eligible persons with mental retardation or a related condition, in accordance with the state Medicaid plan and federal requirements and limitations.

Sec. 9. Minnesota Statutes 1991 Supplement, section 256B.092, subdivision 4, is amended to read:

Subd. 4. [HOME- AND COMMUNITY-BASED SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall make payments to approved vendors participating in the medical assistance program to pay costs of providing home- and community-based services, including case management service activities provided as an approved home- and community-based service, to medical assistance eligible persons with mental retardation or related conditions who have been screened under subdivision 7 and according to federal requirements. Federal requirements include those services and limitations included in the federally-approved application for home- and community-based services for persons with mental retardation or related conditions and subsequent amendments. Payments for home- and community-based services shall not exceed amounts authorized by the county of financial responsibility. For specifically identified former residents of regional treatment centers and nursing facilities, the commissioner shall be responsible for authorizing payments and payment limits under the appropriate home- and community-based service program. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for persons with mental retardation or related conditions.

Sec. 10. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4a. [INCLUSION OF HOME CARE COSTS IN WAIVER RATES.] The commissioner shall adjust the limits of the established average daily reimbursement rates for waived services to include the cost of home care services that may be provided to waived services recipients. This adjustment must be used to maintain or increase services and shall not be used by county agencies for inflation increases for waived services vendors. Home care services referenced in this section are those listed in section 256B.0627, subdivision 2. The average daily reimbursement rates established in accordance with the provisions of this subdivision apply only to the combined average, daily costs of waived and home care services and do not change home care limitations under section 256B.0627. Waivered services recipients receiving home care as of June 30, 1992, shall not have the amount of their services reduced as a result of this section.

Sec. 11. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4b. [WAIVER RATES AND GROUP RESIDENTIAL HOUSING

RATES.] *The average daily reimbursement rates established by the commissioner for waived services shall be adjusted to include the additional costs of services eligible for waiver funding under title XIX of the Social Security Act and for which there is no group residential housing payment available as a result of the payment limitations set forth in section 256I.05, subdivision 10. The adjustment to the waiver rates shall be based on county reports of service costs that are no longer eligible for group residential housing payments. No adjustment shall be made for any amount of reported payments that prior to July 1, 1992, exceeded the group residential housing rate limits established in section 256I.05 and were reimbursed through county funds.*

Sec. 12. Minnesota Statutes 1990, section 256E.14, is amended to read:

256E.14 [GRANTS FOR CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

~~For the biennium ending June 30, 1991,~~ The commissioner shall distribute to counties the appropriation made available under this section for case management services for persons with mental retardation or related conditions as follows:

(1) ~~one-half of the appropriation must be distributed to the counties according to the formula in section 256E.06, subdivision 1; and~~

(2) ~~one-half of as provided in this section.~~ The appropriation must be distributed to the counties on the basis of the number of persons with mental retardation or a related condition that were receiving case management services from the county on the January 1 preceding the start of the fiscal year in which the funds are distributed. *The appropriation may be reduced by the amount necessary to meet the state match for medical reimbursement under section 256B.092, subdivision 2a.*

Sec. 13. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 10, is amended to read:

Subd. 10. [FOSTER CARE.] *In keeping with the definition of "group residential housing rate" established in section 256I.03, subdivision 2, beginning July 1, 1992, the ~~negotiated~~ group residential housing rate of a group residence licensed as a foster home is limited to the rate set for room and board ~~costs~~ payments provided the foster home is not the license holder's primary residence, or the license holder is not the primary caregiver to persons receiving services in the ~~negotiated rate~~ group residence; and ~~federal funding is available to pay for so long as~~ the cost of other necessary services meets the definition of services or costs eligible for payment under the state's Medicaid program under title XIX of the Social Security Act and the persons receiving services in the group residence also receive title XIX home- and community-based waiver services for persons with mental retardation or a related condition, or persons with traumatic or acquired brain injury. For the ~~purpose~~ purposes of this section, the July 1, 1992, rate set for room and board ~~costs~~ mean costs of providing food and shelter for eligible persons, and ~~includes~~ payments must not exceed the group residential housing rate effective June 30, 1992, minus the additional rate to be paid under title XIX of the Social Security Act. The only exception to this limitation is a rate adjustment for the payment of the additional room and board costs of serving additional persons in the group residence. Until a statewide rate setting system is developed in accordance with subdivision 6, "room and board payments" referenced in this section means the ~~directly identifiable~~*

payments for the usual costs of:

- (1) normal and special diet, food preparation and food services;
- (2) providing linen, bedding, laundering, and laundry supplies;
- (3) housekeeping, including cleaning and lavatory supplies;
- (4) maintenance and operation of the residence and grounds, including fuel, utilities, supplies, and equipment;
- (5) the allocation of salaries related to these areas; and
- (6) the lease or mortgage payment, property tax and insurance, furnishings and appliances.

For purposes of this section, room and board payments do not include payments for the costs of modifications and adaptations of the group residence required to ensure the health and safety of the resident or to meet the requirements of the applicable life safety code when those costs meet the definition of services and costs eligible for payment under the state's Medicaid program under title XIX of the Social Security Act. The group residences identified in this section shall be subject to a statewide rate setting system identified in subdivision 6 once the rate setting system has been developed. Any amount of payment made by counties prior to July 1, 1992, that exceeds the rate caps established in subdivisions 1 and 2 is not considered part of the group residential housing rate under this section and may not be considered as part of the group residential housing rate set as of July 1, 1992, nor shall that amount be considered eligible for payment under title XIX of the Social Security Act.

Sec. 14. [STATE-OPERATED COMMUNITY SERVICES APPROPRIATION.]

Unless the state-operated community services programs are financed through the Minnesota housing finance agency, the language contained in Laws 1991, chapter 292, article 1, section 2, subdivision 8, providing that receipts received for the state-operated community services program are appropriated to the commissioner for that purpose, is of no effect and the receipts are deposited and appropriated to the commissioner as provided under Minnesota Statutes, section 246.18. If the state-operated community services programs are financed through the Minnesota housing finance agency, the receipts are appropriated to the commissioner for that purpose.

Sec. 15. [WAIVERED SERVICES RATE STRUCTURE.]

The commissioner of human services shall report to the legislature by January 15, 1993, with plans to implement on July 1, 1993, a rate structure for home- and community-based services under title XIX of the Social Security Act which bases funding on assessed client needs."

Delete the title and insert:

"A bill for an act relating to human services; changing the required dates for certain residential day and support services plans; excluding certain providers of respite care services from licensing requirements; removing a reimbursement limit for providers of semi-independent living services; providing medical assistance coverage for certain services; changing the distribution of certain case management grants to counties; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; 252.291, subdivision 3; 256B.0625, by adding a subdivision; 256B.092,

by adding a subdivision; 256B.501, by adding subdivisions; and 256E.14; Minnesota Statutes 1991 Supplement, sections 144.50, subdivision 6; 245A.03, subdivision 2; 252.275, subdivision 3; 252.28, subdivision 1; 256B.092, subdivision 4; and 256I.05, subdivision 10.”

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.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2561: A bill for an act relating to human services; regarding transferring and restructuring of work readiness; amending Minnesota Statutes 1990, sections 237.701, subdivision 1; 256D.01, subdivision 1; 256D.02, subdivision 12a; 256D.05, by adding a subdivision; 256D.051, subdivisions 3b, 13, and by adding a subdivision; 256D.09, subdivisions 2a and 3; 261.001, subdivision 1; 261.003; 261.063; and 383A.06, subdivision 1; Minnesota Statutes 1991 Supplement, sections 256D.03, subdivisions 2 and 2a; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 3 and 8; 256D.065; 256D.10; and 256D.101, subdivision 1; repealing Minnesota Statutes 1990, sections 256D.051, subdivisions 6b, 7, 9, 10, and 15; 256D.052; 256D.111; and 256D.113; Minnesota Statutes 1991 Supplement, sections 256D.051, subdivisions 1, 1a, 2, 3a, and 6; 256D.101, subdivision 3; and 261.062.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 to 10, delete sections 1 to 7 and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.]
(a) General assistance medical care may be paid for any person who is age 18 or older and who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the

wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(f) Each undocumented alien and nonimmigrant is ineligible for general assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual

who has come to, entered, or remains in the United States in violation of law and not under color of law. For the five-year period beginning on the date when lawful temporary resident status was granted under United States Code, title 8, section 1255a, each alien granted lawful temporary residence status is ineligible for general assistance medical care. Each alien admitted to the United States for purposes of family unity with an alien granted lawful temporary residence status is ineligible for general assistance medical care for the five-year period beginning on the date of entry into the United States. This subdivision does not apply to a child under age 18, a Cuban or Haitian entrant as defined in Public Law Number 96-722, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1)."

Page 10, line 16, delete "has"

Page 10, delete lines 17 and 18 and insert "*resides in the United States without approval or acquiescence of the Immigration and Naturalization Service.*"

Pages 10 to 19, delete sections 9 to 23 and insert:

"Sec. 3. Minnesota Statutes 1990, section 256D.06, subdivision 5, is amended to read:

Subd. 5. Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the county agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. The commissioner shall adopt rules, and may adopt emergency rules, authorizing county agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing special assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The *commissioner or the county agency* may contract with qualified persons to provide the special assistance. The rules adopted by the commissioner shall include the methods by which county agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled. This subdivision does not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 4. Minnesota Statutes 1990, section 256D.54, subdivision 3, is amended to read:

Subd. 3. [INTERIM ASSISTANCE ADVOCACY INCENTIVE PROGRAM.] From the amount recovered under an interim assistance agreement, county agencies may retain 25 percent plus actual reasonable fees, costs, and disbursements of appeals, litigation, and advocacy assistance given to the recipient for the recipient's claim for supplemental security income. The money kept under this section is from the state share of the recovery. The

commissioner or the county agency may contract with qualified persons to provide the special assistance. The methods by which a county agency identifies, refers, and assists recipients who may be eligible for benefits under federal programs for the aged, blind, or disabled are those methods used by the general assistance interim assistance advocacy incentive program."

Page 19, line 15, delete "8" and insert "2"

Page 19, line 17, delete everything after the period

Page 19, delete lines 18 to 21

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after "sections"

Page 1, delete lines 5 to 18 and insert "256D.05, by adding a subdivision; 256D.06, subdivision 5; and 256D.54, subdivision 3; Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 3."

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. 2539: A bill for an act relating to human services; pertaining to costs of care and reimbursement under medical assistance; changing payment rates for physician services; allowing contracts with preferred provider programs; allowing reimbursement for wheelchairs and wheelchair accessories for ICF/MR recipients; allowing electronic claim submission for medical providers; altering conditions for medical assistance, general assistance medical care, and children's health plan programs; amending Minnesota Statutes 1990, sections 256.9655; 256.969, by adding a subdivision; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.03 by adding a subdivision; 256B.035; 256B.056, subdivisions 1a, 2, 3, 4, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.059, subdivision 2; 256B.0595, subdivision 1; 256B.0625, by adding a subdivision; 256B.063; 256B.064, by adding a subdivision; 256B.14, subdivision 2; 256B.15, subdivisions 1, and 2; 256B.36; 256B.433, subdivisions 1, 2, and 3; 256D.02, by adding subdivisions; and 256D.03, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 254B.04, subdivision 1; 256.9685, subdivision 1; 256.969, subdivisions 1 and 2; 256B.0625, subdivision 13; 256B.064, subdivision 2; 256D.03, subdivision 3; Laws 1991, chapter 292, article 4, section 77, subdivisions 1 and 14; repealing Minnesota Statutes 1990, section 256B.056, subdivision 3a; Minnesota Statutes 1991 Supplement, sections 256.9657; 256B.74, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 4, section 79, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 39, after "256B.056" insert "*including persons participating*

in the prepaid medical assistance program under section 256B.69.”

Page 2, delete lines 27 to 36

Page 3, delete line 1 and insert:

“Sec. 2. Minnesota Statutes 1990, section 254B.06, subdivision 3, is amended to read:

Subd. 3. [PAYMENT; DENIAL.] The commissioner shall pay eligible vendors for placements made by local agencies under section 254B.03, subdivision 1, and placements by tribal designated agencies according to section 254B.09. The commissioner may reduce or deny payment of the state share when services are not provided according to the placement criteria established by the commissioner. The commissioner may pay for all or a portion of improper county chemical dependency placements and bill the county for the entire payment made when the placement did not comply with criteria established by the commissioner. *The commissioner shall not pay vendors until third party claims have been settled.*”

Page 4, line 15, after “*specific*” insert “*utilization review*”

Pages 4 and 5, delete section 4

Pages 6 and 7, delete sections 6 and 7

Page 8, line 1, delete everything before “*payment*”

Page 8, line 2, delete the semicolon and insert a period

Page 8, delete lines 3 to 5

Page 9, line 13, before the period, insert “*and shall continue to be excluded for as long as the recipient can be reasonably expected to return, as provided under the methodologies for the supplemental security income program*”

Page 10, line 9, delete the new language

Page 10, lines 10 to 12, reinstate the stricken language

Page 10, line 13, reinstate the stricken language and delete the new language

Page 10, lines 14 and 15, delete the new language

Pages 11 and 12, delete section 15

Pages 13 to 16, delete sections 19 and 20 and insert:

“Sec. 16. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, *after receiving recommendations from the Minnesota medical association and the Minnesota pharmacists association*, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following

July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee, *upon the recommendation of the drug utilization review board*, shall review and recommend drugs which require prior authorization. *Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization:*

(1) the drug must be identified through the drug utilization review program. The drug utilization review board may develop criteria to be used for identifying drugs or direct the drug formulary committee to develop criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide evidence to the formulary committee that placing the drug on prior authorization will not reduce the quality of patient care and that the drug is subject to clinical abuse or misuse.

A decision by the drug utilization review board to place a drug on prior authorization must be reviewed by the formulary committee at least every six months. Prior authorization may be required by the commissioner upon approval of the drug utilization review board, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner

shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until January 4, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spenddown, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spenddown amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spenddown of (1) their right to appeal the

denial of services on the grounds that they have satisfied the spenddown requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 17. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A 12-member drug utilization review board is established. The board is comprised of six licensed physicians actively engaged in the practice of medicine in Minnesota; three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; one licensed pharmacist engaged in dispensing medications in or providing consulting services for a Minnesota nursing home; one person with expertise in therapeutic pharmacology who is neither a practicing physician nor a pharmacist; and one consumer representative. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The physician members shall be selected from a list submitted by the Minnesota medical association. The pharmacist members shall be selected from a list submitted by the Minnesota pharmacists association. The commissioner shall appoint the initial members of the board for terms expiring as follows: four members for terms expiring June 30, 1995; four members for terms expiring June 30, 1994; and four members for terms expiring June 30, 1993. Members may be reappointed once. The board shall annually elect a chair from among the members.

The board shall:

- (1) implement a medical assistance retrospective and prospective drug utilization review program;*
- (2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;*
- (3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;*
- (4) establish a grievance and appeals process for physicians, pharmacists, and recipients under this section;*
- (5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;*
- (6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;*
- (7) approve or disapprove the implementation of any prior authorization program for outpatient drugs proposed by the department after receiving public comment on the proposal;*
- (8) establish and implement an ongoing process to (i) receive public comment regarding criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and*
- (9) adopt rules to carry out this section.*

The board may establish advisory committees. The commissioner, on behalf of the board, may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to implement a retrospective and prospective review program.

The board shall report to the commissioner annually on December 1. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; any fiscal impact resulting from the program, including any impact on other areas of the medical assistance program, such as hospital costs and long-term care costs; a quantified assessment of the impact of the program on improving quality of care to recipients; a summary by therapeutic class of the total number of prescriptions reviewed, and an assessment of the impact of the educational programs or interventions on prescribing or dispensing practices."

Page 20, line 18, before "the" insert "excluding" and delete "under section"

Page 20, line 19, delete everything before "and"

Page 20, line 33, delete "including" and insert "excluding"

Page 20, line 35, after "256B" insert "excluding the alternative care program,"

Page 30, delete sections 36 and 37 and insert:

"Sec. 33. [MENTAL HEALTH SERVICES.]

Effective July 1, 1992, mental health services, except services provided by community mental health centers, shall be paid at 76 percent of the rate in effect for doctoral-prepared mental health professionals on June 30, 1992."

Page 30, delete lines 30 to 36

Page 31, delete lines 1 to 4

Page 31, line 6, delete "17" and insert "14"

Page 31, line 7, delete "18" and insert "15"

Page 31, delete lines 9 to 15

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "establishing a drug utilization review board; modifying procedures for drug prior authorization; changing reimbursement for mental health services;"

Page 1, line 11, after "sections" insert "254B.06, subdivision 3;"

Page 1, delete line 12

Page 1, line 13, delete "subdivision 3;"

Page 1, line 15, delete "4,"

Page 1, line 17, delete "256B.0595, subdivision 1;"

Page 1, line 18, delete "a subdivision" and insert "subdivisions"

Page 1, line 24, delete "subdivisions 1 and" and insert "subdivision"

Page 1, line 26, delete everything after the semicolon

Page 1, delete line 27

Page 1, line 29, delete everything after "3a" and insert a period

Page 1, delete lines 30 to 32

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Reports on S.F. Nos. 2539, 2540, 2541 and 2561. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Reports on S.F. Nos. 2539, 2540, 2541 and 2561. The motion prevailed. Amendments adopted. Reports adopted.

SECOND READING OF SENATE BILLS

S.F. No. 1824 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that S.F. Nos. 2539, 2540 and 2541 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Finance. The motion prevailed.

Mr. Johnson, D.J. moved that S.F. No. 2605 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Samuelson moved that H.F. No. 1818 be recalled from the House of Representatives for further consideration. The motion prevailed.

Ms. Pappas moved that S.F. No. 2210 be taken from the table. The motion prevailed.

S.F. No. 2210: A bill for an act relating to Ramsey county; providing for the certification of eligibles for county positions; amending Minnesota Statutes 1990, section 383A.291, by adding a subdivision.

CONCURRENCE AND REPASSAGE

Ms. Pappas moved that the Senate concur in the amendments by the House to S.F. No. 2210 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2210 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 53 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	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frederickson, D.J.	Laidig	Novak	Stumpf
Berglin	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Bertram	Hottinger	Luther	Pariseau	Traub
Brataas	Hughes	Marty	Piper	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill, as amended, was repassed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Chmielewski introduced—

S.F. No. 2774: A bill for an act relating to appropriations; appropriating money for a fire museum/interpretative center.

Referred to the Committee on Environment and Natural Resources.

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. 1399: Mrs. Benson, J.E.; Messrs. Novak and Waldorf.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Halberg was excused from the Session of today. Mr. Lessard was excused from the Session of today at 2:30 p.m. Mr. Finn was excused from the Session of today from 12:00 noon to 2:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, March 26, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-FIFTH DAY

St. Paul, Minnesota, Thursday, March 26, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Ralph Johnson.

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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

March 3, 1992

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:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Carl W. Cummins III, 2312 Nashua Lane, Mendota Heights, Ramsey County, Minnesota, has been appointed by me, effective March 4, 1992, for a term expiring on the first Monday in January, 1998.

Sharon L. Bailey-Bok, 1991 Sheridan Avenue South, Minneapolis, Hennepin County, Minnesota, has been appointed by me, effective March 4, 1992, for a term expiring on the first Monday in January, 1998.

Edward F. Zachary, 84 Saratoga Court, Winona, Winona County, Minnesota, has been appointed by me, effective March 4, 1992, for a term expiring on the first Monday in January, 1994.

(Referred to the Committee on Education.)

Warmest regards,
Arne H. Carlson, Governor

March 25, 1992

The Honorable Dee Long
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 1992 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 1992	Date Filed 1992
	1911	370	9:42 a.m. March 25	March 25

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. 1633.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1992

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. 764, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1992

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. 1300, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 25, 1992

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2225, 2287, 2769, 2924, 2046, 2438, 2640, 2137, 1350, 2341, 2752 and 1681.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 25, 1992

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2225: A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections and other governance issues; amending Laws 1955, chapter 151, section 1, subdivision 3, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2412, now on the Calendar.

H.F. No. 2287: A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1970, now on the Calendar.

H.F. No. 2769: A bill for an act relating to retirement; providing for the

calculation of pension increases for the Virginia police relief association.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2531, now on the Calendar.

H.F. No. 2924: A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2486, now on General Orders.

H.F. No. 2046: A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold; amending Minnesota Statutes 1990, section 514.20.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2437, now on the Calendar.

H.F. No. 2438: A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352C.033; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2367, now on General Orders.

H.F. No. 2640: A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2408, now on the Calendar.

H.F. No. 2137: A bill for an act relating to retirement; the Minnesota state retirement system and the public employees retirement association; making various changes to administration, benefits, and investment practices; amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivision 12; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision; 356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; Laws 1991, chapter 269, article

2, section 13; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; 353.656, subdivision 7; and 353.71, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2048.

H.F. No. 1350: A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1139, now on the Calendar.

H.F. No. 2341: A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1914, now on the Calendar.

H.F. No. 2752: A bill for an act relating to commerce; trade practices; prohibiting certain practices by recreational equipment manufacturers; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

H.F. No. 1681: A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; permitting the sale of credit unemployment insurance on the same basis as other credit insurance; requiring consumer disclosures; specifying minimum loss ratios for credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 47.016, subdivision 1; 48.185, subdivisions 4 and 7; 56.125, subdivision 3; 56.155, subdivision 1; 59A.08, subdivisions 1 and 4; 59A.11, subdivisions 2 and 3; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivision 10; 60A.12, subdivision 4; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivisions 1 and 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 62A.10, subdivision 1; 62A.146; 62A.17, subdivision 2; 62A.21, subdivisions 2a and 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.54; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, subdivision 2; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, and 4; 62B.09, subdivisions 1 and 2; 62B.11; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 9; 62E.14, by adding a

subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivisions 4, 7, and by adding a subdivision; 70A.11, subdivision 1; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivision 27, and by adding a subdivision; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 52.04, subdivision 1; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.061, subdivision 1; 72A.201, subdivision 8; and 82B.15, subdivision 3; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 62B; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 65B.70; and 72A.13, subdivision 3; Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2212.

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. 1879 and 2533. The motion prevailed.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 2137: A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 34, delete "or"

Page 3, delete line 4 and insert:

"(ii) for purposes of the state building code and state uniform fire code, the facility meets group R, division 3, occupancy requirements for six or less persons and group R, division 1, occupancy requirements for seven to eight persons; and

(3) in compliance with the fire protection provisions of chapter 21 of the 1988 Life Safety Code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, as a minimum.

Sec. 3. [LICENSURE LIMITATION.]

For the fiscal year ending June 30, 1993, the commissioner of health may license up to 15 residential hospice programs under section 2. The commissioner shall report to the legislature by March 1, 1993, on the number

of residential hospice programs that have been licensed or applied for licensure under section 2, their geographic location, and any financial information available to the commissioner. The report shall include a recommendation from the commissioner. The report shall include a recommendation from the commissioner on the need to continue limiting the number of licensed residential hospice programs."

Amend the title as follows:

Page 1, line 4, after "conditions;" insert "limiting the number of residential hospice facilities; requiring a report;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Economic Development and Housing, to which was referred

S.F. No. 2691: A bill for an act relating to economic development; changing the name of the export finance authority to Minnesota trading company; increasing the size of the board of directors and changing the composition; changing the financing terms; amending Minnesota Statutes 1990, section 116J.9763, subdivisions 2, 6, and 7.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 116J.9673, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The governor shall appoint ~~six~~ *seven* members to the authority's board of directors. ~~The~~ *Six* members shall be knowledgeable in international finance, exporting, or international law *and one member shall represent a company specializing in agricultural trade.*

The commissioner of the department of trade and economic development shall be chair of the board. Membership, terms, compensation and removals are governed by section 15.0575. Board members shall perform their duties in a non-self-serving manner and in compliance with section 10A.07.

Sec. 2. Minnesota Statutes 1990, section 116J.9673, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AND GUARANTEES.] The finance authority may provide insurance and guarantees to the following extent:

(1) The finance authority may ~~not~~ provide to any one person insurance or guarantees ~~in excess of \$250,000~~ for preexport transactions ~~and \$250,000~~ or for postexport transactions. When insuring, coinsuring, or guaranteeing the postexport portion of transactions, the finance authority shall retain not more than ten percent of the commercial risk, or alternatively, the normal and standard deductible of the insurance policy.

(2) The policy of the finance authority is to provide insurance and guarantees for export credits that would otherwise not be made and that the chair and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment.

(3) The finance authority shall contract with, among others, the Foreign Credit Insurance Association, the United States Export-Import Bank, and private insurers to secure insurance or reinsurance for country and commercial risks for the finance authority's insurance program. The finance

(4) Losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves.

Sec. 3. [APPROPRIATION.]

\$ is appropriated to the commissioner of trade and economic development for the export finance authority working capital account. The sum is available until expended."

Amend the title as follows:

Page 1, line 2, delete "changing the name of"

Page 1, delete line 3

Page 1, line 4, delete "company;" and after "directors" insert "of the export finance authority"

Page 1, line 6, after "terms;" insert "appropriating money;"

Page 1, line 7, delete ", 6,"

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. 2048: A bill for an act relating to retirement; the Minnesota state retirement system and the public employees retirement association; making various changes to administration, benefits, and investment practices; amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivisions 12 and 28; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision; 356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; and Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; and 353.656, subdivision 7.

Reports the same back with the recommendation that the bill be amended as follows:

Page 11, line 21, after “in” insert “the year in”

Page 23, line 14, after “lump-sum” insert “refund” and after “payment” insert “under section 353.32, subdivision 1, if provided for in a marriage dissolution decree”

Page 23, delete lines 15 and 16 and insert “even if required by the decree.”

Page 24, line 2, delete “of” and insert “or”

Page 24, line 3, after “lump-sum” insert “refund” and after “payment” insert “under subdivision 1 if provided for in a marriage dissolution decree”

Page 28, line 9, after “lump-sum” insert “refund” and after “payment” insert “under section 353.32, subdivision 1, if provided for in a marriage dissolution decree”

Page 28, line 22, delete the second “the” and insert “that member’s”

Page 29, line 14, after “lump-sum” insert “refund” and after “payment” insert “under section 353.32, subdivision 1, if provided for in a marriage dissolution decree”

Page 31, delete section 26

Page 33, line 33, after “commission,” insert “the executive director of the public employees retirement association.”

Page 51, after line 25, insert:

“Sec. 49. Laws 1991, chapter 269, article 2, section 13, is amended to read:

Sec. 13. [EFFECTIVE DATE.]

(a) Sections 1 to 11 are effective the day following final enactment.

Section 12 is effective for the former relief associations of the city of Chisholm the day following approval by the Chisholm city council and upon compliance with Minnesota Statutes, section 645.021. Section 12 is effective for the former relief associations of the city of Hibbing the day following approval by the Hibbing city council and upon compliance with Minnesota Statutes, section 645.021.

(b) The elimination of the surviving spouse benefit discontinuation requirement provided for in sections 1 to 11 also applies to any surviving spouse receiving a surviving spouse benefit on the date of final enactment of the act ~~and, to the potential surviving spouses of active, deferred or retired plan members who have that status on the effective date of the change. Sections 1 to 11 do not apply to, and to persons who formerly were receiving surviving spouse benefits and had those benefits discontinued by virtue of a remarriage and may not be considered to. Sections 1 to 11 do not authorize the payment of any retroactive survivor benefit amounts to any person or to an estate, except that a person who was formerly receiving surviving spouse benefits from the public employees retirement association and who had those benefits discontinued by virtue of remarriage prior to July 1, 1991 is eligible to receive benefit amount payments retroactive to July 1, 1991 or 12 months prior to the month in which application for benefits is received in the office of the association, whichever is sooner.~~

Page 51, line 36, delete “section” and insert “sections” and delete “, is” and insert “; and 353.71, subdivision 3, are”

Page 52, line 3, delete “and 7 to” and insert “, 7 to 48, 50, and”

Page 52, line 4, after the second period, insert “Section 49 is effective July 1, 1992.”

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, lines 13 and 14, delete “subdivisions 12 and 28” and insert “subdivision 12”

Page 1, line 27, delete the second “and”

Page 1, line 29, after the semicolon, insert “and Laws 1991, chapter 269, article 2, section 13;”

Page 1, line 31, delete “and”

Page 1, line 32, before the period, insert “; and 353.71, subdivision 3”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 589: A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 214.01, subdivision 2; and Minnesota Statutes 1991 Supplement, section 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [148.621] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 14.

Subd. 2. [ACCREDITED COLLEGE OR UNIVERSITY.] “Accredited college or university” means a college or university regionally accredited by the council on post-secondary accreditation.

Subd. 3. [ASSOCIATION.] “Association” means the American Dietetic Association.

Subd. 4. [COUNCIL.] “Council” means the advisory council of nutrition and dietetics practice.

Subd. 5. [COMMISSION.] “Commission” means the Commission on Dietetic Registration that is a member of the National Commission on Health Certifying Agencies, which national commission establishes national standards of competence for individuals participating in the health care delivery system.

Subd. 6. [COMMISSIONER.] “Commissioner” means the commissioner of health.

Subd. 7. [DIETITIAN.] "Dietitian" means an individual who engages in nutrition or dietetics practice.

Subd. 8. [NUTRITIONIST.] "Nutritionist" means an individual who engages in nutrition or dietetics practice.

Subd. 9. [NUTRITION OR DIETETICS PRACTICE.] "Nutrition or dietetics practice" means the integration and application of scientific principles of food, nutrition, biochemistry, physiology, food management, and behavioral and social sciences to achieve and maintain human health through the provision of nutrition care services.

Subd. 10. [NUTRITION CARE SERVICES.] "Nutrition care services" means at least one of the following:

- (1) assessment of the nutritional needs of individuals or groups;*
- (2) establishment of priorities, goals, and objectives to meet nutritional needs;*
- (3) provision of nutrition counseling for both normal and therapeutic needs;*
- (4) development, implementation, and management of nutrition care services; or*
- (5) evaluation, adjustment, and maintenance of appropriate standards of quality in nutrition care.*

Subd. 11. [NUTRITIONAL ASSESSMENT.] "Nutritional assessment" means the evaluation of the nutritional needs of individuals or groups based on appropriate biochemical, anthropometric, physical, and dietary data to determine nutrient needs and recommend appropriate nutritional intake.

Subd. 12. [NUTRITION COUNSELING.] "Nutrition counseling" means advising and assisting individuals or groups on appropriate nutritional intake by integrating information from the nutritional assessment with information on food and other sources of nutrients and meal preparation consistent with cultural background and socioeconomic status.

Subd. 13. [PERSON.] "Person" means an individual, corporation, partnership, or other legal entity.

Sec. 2. [148.622] [ADVISORY COUNCIL OF NUTRITION AND DIETETICS PRACTICE.]

Subdivision 1. [CREATION; DUTIES.] The state advisory council of nutrition and dietetics practice consists of seven members appointed by the governor. The council shall advise the commissioner on all matters related to the administration of sections 1 to 14.

Subd. 2. [MEMBERSHIP.] Members of the advisory council must have been residents of the state of Minnesota for two years immediately preceding appointment and must represent various geographic areas of the state and various employment settings, as required by this section. Two members must be dietitians with at least three years of dietetics practice in Minnesota. Two members must be nutritionists with at least three years of nutrition practice in Minnesota. The professional members first appointed need not be certified under this chapter for appointment to their first terms on the advisory council, but must possess the qualifications necessary for certification under this chapter. Three other members must be public members

as defined under section 214.02. Two of the public members must be consumers of nutrition care services or caregivers of those utilizing such services.

Subd. 3. [MEMBERSHIP TERMS; OFFICERS; QUORUM; EXPENSES.] (a) Members must be appointed for staggered terms of six years, with terms beginning August 1 of each odd-numbered year. Members of the advisory council serve until the expiration of the term to which they have been appointed or until their successors have qualified. A person may not be appointed to serve more than two consecutive terms.

(b) The council shall organize annually and select a chair and vice-chair. The initial chair must be an individual who is qualified for certification under sections 1 to 14. After January 1, 1993, the chair must hold a valid certificate issued under sections 1 to 14.

(c) Four members of the advisory council, including two professional members and two public members, constitute a quorum to do business.

(d) The advisory council shall hold at least two regular meetings each year. Additional meetings may be held at the call of the chair or at the written request of any three members of the advisory council. At least 14 days' written advance notice of the advisory council meeting is required.

(e) Advisory council members receive compensation for their services in accordance with section 15.059.

Sec. 3. [148.623] [DUTIES OF THE COMMISSIONER.]

The commissioner shall:

- (1) adopt rules necessary to administer and enforce sections 1 to 14;*
- (2) administer, coordinate, and enforce sections 1 to 14;*
- (3) evaluate the qualifications of applicants;*
- (4) issue subpoenas, examine witnesses, and administer oaths;*
- (5) conduct hearings and keep records and minutes necessary to the orderly administration of sections 1 to 14;*
- (6) investigate persons engaging in practices that violate sections 1 to 14; and*
- (7) adopt rules under chapter 14 prescribing a code of ethics for certificate holders.*

Sec. 4. [148.624] [CERTIFICATION; RENEWAL.]

Subdivision 1. [DIETETICS.] The commissioner shall issue a certificate as a dietitian to any person who files a completed application, pays all required fees, and furnishes evidence satisfactory to the commissioner that the applicant:

- (1) meets the following qualifications:*
 - (i) has received a baccalaureate or postgraduate degree from an accredited college or university;*
 - (ii) has completed a major course of study in dietetics that is accredited or approved by the association, or has completed academic credits sufficient to meet the current requirements to be eligible to write the registration examination of the commission;*

(iii) has completed a professional experience component in dietetic practice accredited or approved by the commission; and

(iv) has successfully completed the registration examination for dietitians administered by the commission; or

(2) has a valid current registration with the commission which gives the applicant the right to use the term "registered dietitian" or "R.D."

Subd. 2. [NUTRITION.] The commissioner shall issue a certificate as a nutritionist to any person who files a completed application, pays all required fees, and certifies and furnishes evidence satisfactory to the commissioner that the applicant:

(1) meets the following qualifications:

(i) has received a master's or doctoral degree from an accredited or approved college or university with a major in human nutrition, public health nutrition, clinical nutrition, nutrition education, community nutrition, or foods and nutrition; and

(ii) has completed a professional experience component in nutrition practice beyond the undergraduate level, at a level of professional responsibility at least equivalent to that of a certified dietitian, of not less than 900 hours under the supervision of a certified dietitian, certified nutritionist, or registered dietitian after completion of academic training; or

(2) has qualified as a diplomate of the American Board of Nutrition, Springfield, Virginia.

Subd. 3. [PETITION.] The commissioner may issue a certificate as a nutritionist to any person who submits to the commissioner a petition for individual review, provided the person has received a master's or doctoral degree from an accredited college or university with a major course of study that includes an emphasis in human nutrition, and has completed a professional experience component in nutrition practice beyond the undergraduate level, at a level of professional responsibility at least equivalent to that of a certified dietitian, of not less than 900 hours under the supervision of a certified dietitian, certified nutritionist, or registered dietitian after completion of academic training. The commissioner may issue a certificate as a nutritionist or dietitian to any person who has completed a course of study at a foreign college or university, provided that (1) the person submits a petition for individual review, (2) the commissioner determines that the person's course of study was at least as rigorous as a course of study that would otherwise qualify under this section, and (3) the person has met the applicable experiential requirements.

Subd. 4. [RENEWAL.] Certificate holders shall renew certificates at the time and in the manner established by the rules of the commissioner.

Sec. 5. [148.625] [APPLICATION.]

A person desiring a certificate under sections 1 to 14 shall apply to the commissioner on a form and in the manner the commissioner prescribes. The application must be accompanied by an application fee in an amount determined by the commissioner.

Sec. 6. [148.626] [CONTINUING EDUCATION REQUIRED.]

Within three years of the effective date of sections 1 to 14, renewal of a

certificate is contingent on the applicant's meeting uniform continuing education requirements to be established by the commissioner. Notice of initial or amended continuing education requirements must be sent to all persons certified under sections 1 to 14 at least 12 months before a person's certificate renewal is dependent on satisfaction of those requirements. Continuing education requirements must be sent to new applicants with the forms on which they are to apply for certification.

Sec. 7. [148.627] [TRANSITION PERIOD.]

Subdivision 1. [DIETITIANS.] For one year after the effective date of rules adopted by the commissioner under section 3, the commissioner shall issue a certificate as a dietitian to any applicant who is a qualified dietitian as defined by the division of health resources of the department of health and has practiced nutrition or dietetics in good standing for the equivalent of one year full time during the last five years.

Subd. 2. [NUTRITIONISTS.] For one year after the effective date of rules adopted by the commissioner under section 3, the commissioner shall issue a certificate as a nutritionist to any applicant who has received a qualifying master's or doctoral degree and has practiced nutrition or dietetics in good standing for the equivalent of one year during the last five years.

Sec. 8. [148.628] [RECIPROCITY.]

The commissioner may issue a certificate to an applicant who is certified as a dietitian or nutritionist in another state or the District of Columbia, provided that in the judgment of the commissioner the standards for certification in that state are not less stringent than the requirements set forth in sections 1 to 14.

Sec. 9. [148.629] [DENIAL, SUSPENSION, OR REVOCATION.]

Subdivision 1. [GROUNDS.] The commissioner may refuse to renew or to grant a certificate to, or may suspend, revoke, or restrict the certificate of an individual who the commissioner, after a hearing under the contested case provisions of chapter 14, determines:

(1) is incompetent to engage in nutrition or dietetic practice, or is found to be engaged in nutrition or dietetic practice in a manner harmful or dangerous to a client or to the public;

(2) has violated the rules of the commissioner or the statutes the commissioner is empowered to enforce;

(3) has obtained or attempted to obtain a certificate or certificate renewal by bribery or fraudulent representation; or

(4) has knowingly made a false statement on a form required by the commissioner for a certificate or certificate renewal.

Subd. 2. [RESTORING CERTIFICATE.] For reasons the commissioner finds sufficient, the commissioner may grant a certificate previously refused, restore a certificate that has been revoked, or reduce a period of suspension or restriction of a certificate.

Subd. 3. [REVIEW.] Suspension, revocation, or restriction of a certificate must be reviewed by the commissioner at the request of the certificate holder against whom the disciplinary action was taken.

Sec. 10. [148.630] [CERTIFICATE REQUIRED.]

No person may use the title "nutritionist" or "dietitian" or any title deemed equivalent by the commissioner unless certified by the commissioner as a nutritionist or dietitian, respectively, nor shall any person hold out as a nutritionist or dietitian unless so certified.

Sec. 11. [148.631] [PENALTY.]

Any person who violates sections 1 to 14 is guilty of a misdemeanor.

Sec. 12. [148.632] [EXEMPTIONS; VOLUNTARY CERTIFICATION.]

Subdivision 1. [PERSONS EXCEPTED FROM THE CERTIFICATION REQUIREMENT.] Nothing in sections 1 to 14 prevents or restricts the activities of:

(1) any person pursuing a degree in nutrition or dietetics at an accredited college or university who is practicing under the supervision of a certified dietitian or certified nutritionist and in accordance with accepted scientific knowledge and standards of practice, provided that the person is designated by a title which clearly indicates the person's status as a student or trainee;

(2) any person in the process of fulfilling the professional experience requirements in nutrition or dietetics necessary for certification who is practicing under the supervision of a certified dietitian or certified nutritionist and in accordance with accepted scientific knowledge and standards of practice, provided that the person is designated by a title which clearly indicates the person's status as a trainee;

(3) any person licensed to practice medicine, nursing, pharmacy, dentistry, or chiropractic, if the person is practicing within the scope of the person's profession and in accordance with accepted scientific knowledge and standards of practice in nutrition or dietetics and the person does not hold out as a nutritionist or dietitian unless so certified;

(4) any person, including a registered dietetic technician, dietetic technician, or other paraprofessional working in a program supervised by a certified dietitian or nutritionist, if the person's activities are within the scope of the person's education and training and in accordance with accepted scientific knowledge and standards of practice in nutrition or dietetics and the person does not hold out as a nutritionist or dietitian unless so certified;

(5) the practice of nutrition services by a person who provides weight control services, provided the nutrition program has been reviewed by, consultation is available from, and no program change can be initiated without prior approval of, an individual certified under this act, a dietitian certified in another state that has certification requirements considered by the board to be at least as stringent as the requirements for certification under this act, or a registered dietitian;

(6) any home economist with a baccalaureate or graduate degree from an accredited college or university, if the person's activities are within the scope of the person's education and training and in accordance with accepted scientific knowledge and standards of practice and the person does not hold out as a nutritionist or dietitian;

(7) any educator employed by a federal, state, county, or municipal agency, elementary or secondary school, accredited institution of higher education, or nonprofit agency, if the person's activities are within the scope of the person's position, education, and training and the person does not hold out as a nutritionist or dietitian unless so certified;

(8) any person with a baccalaureate or graduate degree from an accredited college or university who provides general nutrition information, provided that the person does not practice nutrition or dietetics or hold out as a nutritionist or dietitian unless so certified;

(9) a person engaged in the free dissemination of information relating to nutrition, including a person conducting a class or seminar or giving a speech, provided that the person is not represented to be a dietitian or nutritionist;

(10) a person who markets or distributes health products, including food, food materials, or dietary supplements, and who provides oral or written nutritional information to individuals or groups in conjunction with sale of those products, provided that the person's activities are subject to state and federal laws; or

(11) any animal nutritionist who does not meet the requirements of sections 1 to 14, provided that the person's activities are limited to the nutritional care of animals. Animal nutritionists may continue to use the title nutritionist so long as they provide nutrition services only to animals.

Subd. 2. [VOLUNTARY CERTIFICATION.] *The certification of persons employed by hospitals and nursing homes licensed under chapters 144 and 144A is voluntary. Nothing in sections 1 to 14 prevents or restricts the activities of persons employed by these institutions.*

Sec. 13. [148.634] [DISPOSITION OF FUNDS.]

Money received by the commissioner under sections 1 to 12 must be credited to the health occupations licensing account within the state government special revenue fund.

Sec. 14. [INITIAL APPOINTMENTS.]

Notwithstanding section 2, subdivision 3, the terms of the initial members of the advisory council of nutrition and dietetics practice must be determined by lot so that:

(1) *three members are appointed to terms ending July 31, 1997;*

(2) *two members are appointed to terms ending July 31, 1995; and*

(3) *two members are appointed to terms ending July 31, 1993.*

Sec. 15. [APPROPRIATION.]

§ is appropriated from the state government special revenue fund to the commissioner of health for the purposes of sections 1 to 14, to be available until June 30, 1993.

Sec. 16. [EFFECTIVE DATE.]

Sections 2, 3, and 15 are effective July 1, 1992. The remaining sections are effective 30 days after the effective date of rules adopted by the commissioner of health under section 3."

Delete the title and insert:

"A bill for an act relating to occupations and professions; establishing an advisory council of nutrition and dietetics practice; requiring nutritionists and dietitians to be certified; establishing certification requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 148."

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. 1847: A bill for an act relating to crime; clarifying certain law enforcement powers; making technical corrections to the eligibility criteria for possession of a pistol; increasing penalties for the unlawful carrying of a pistol without a permit; amending Minnesota Statutes 1990, sections 169.98, subdivision 1a; 299D.06; 624.713, subdivision 1; and 624.714, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 169.98, subdivision 1a, is amended to read:

Subd. 1a. [VEHICLE STOPS.] ~~Except as otherwise permitted under sections 221.221 and 299D.06,~~ Only a person who is licensed as a peace officer, constable, or part-time peace officer under sections 626.84 to section 626.863 may use a motor vehicle governed by subdivision 1 to stop a vehicle as defined in section 169.01, subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 299D.06, is amended to read:

299D.06 [INSPECTIONS; WEIGHING.]

Personnel to enforce the laws relating to motor vehicle equipment, school bus equipment, drivers license, motor vehicle registration, motor vehicle size and weight, and motor vehicle petroleum tax, to enforce public utilities commission rules relating to motor carriers, to enforce pollution control agency rules relating to motor vehicle noise abatement, and to enforce laws relating to directing the movement of vehicles shall be classified employees of the commissioner of public safety assigned to the division of state patrol. Employees engaged in these duties, while actually on the job during their working hours only, shall have power to ~~arrest~~ *issue citations in lieu of arrest and continued detention* and to prepare notices to appear in court for violation of these laws and rules, in the manner provided in section 169.91, *subdivision 3*. They shall not be armed and shall have none of the other powers and privileges reserved to peace officers.

Sec. 3. Minnesota Statutes 1990, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to:

(i) controlled substances;

(ii) forfeitable drug manufacturing or distributing equipment or devices; or

(iii) forfeitable records of manufacture or distribution of controlled substances; ~~and~~

(2) all conveyance devices containing controlled substances with a retail value of \$100 or more if possession or sale of the controlled substance would be a felony under chapter 152; and

(3) all firearms, ammunition, and firearm accessories found:

(i) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(ii) on or near a person from whom a felony amount of controlled substance is seized; or

(iii) on the premises where a controlled substance is seized and in proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152.

(b) A claimant of the property bears the burden to rebut this presumption.

Sec. 4. [609.672] [PERMISSIVE INFERENCE; FIREARMS IN AUTOMOBILES.]

The presence of a firearm in a passenger automobile permits the factfinder to infer knowing possession of the firearm by the driver or person in control of the automobile when the firearm was in the automobile. The inference does not apply:

(1) to a duly licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;

(2) to any person in the automobile if one of them legally possesses a firearm; or

(3) when the firearm is concealed on the person of one of the occupants.

Sec. 5. Minnesota Statutes 1990, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment

facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere ~~for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16 of a misdemeanor or gross misdemeanor violation of chapter 152,~~ or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts; or

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Sec. 6. Minnesota Statutes 1990, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol to a *licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714* is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 624.7132, subdivision 4, is amended to read:

Subd. 4. [DELIVERY.] *Except as otherwise provided in subdivision 7 or 8,* no person shall deliver a pistol to a proposed transferee until seven days after the date of the agreement to transfer as stated on the report delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period.

No person shall deliver a pistol to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, the pistol may be delivered to the transferee.

Sec. 8. Minnesota Statutes 1990, section 624.7132, subdivision 8, is amended to read:

Subd. 8. [REPORT NOT REQUIRED.] (1) If the proposed transferee presents a valid transferee permit issued under section ~~624.714, subdivision 9~~ 624.7131 or a valid permit to carry issued under section 624.714, or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, who presents a valid peace officer identification, the transferor need not file a transfer report.

(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol may be made under subdivision 4.

Sec. 9. [EFFECTIVE DATE.]

Section 4 is effective August 1, 1992, and applies to offenses occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; clarifying certain law enforcement powers; providing for administrative forfeiture of firearms; creating a permissive inference of possession with respect to a firearm in an automobile; making technical corrections to the eligibility criteria and transfer process applicable to permits to possess a pistol; amending Minnesota Statutes 1990, sections 169.98, subdivision 1a; 299D.06; 609.5314, subdivision 1; 624.713, subdivision 1; 624.7131, subdivision 10; and 624.7132, subdivisions 4 and 8; proposing coding for new law in Minnesota Statutes, chapter 609."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1859: A bill for an act relating to probate; changing provisions relating to merger of trusts, certificates of trust, affidavits of trustees, and powers of attorney; amending Minnesota Statutes 1990, sections 508.62; 508A.62; 523.02; 523.03; 523.07; 523.08; 523.09; 523.11, subdivisions 1 and 2; 523.17; 523.18; 523.19; 523.21; 523.22; 523.23, subdivisions 1, 2, 3, and by adding subdivisions; 523.24, subdivisions 1, 7, 8, and 9; Minnesota Statutes 1991 Supplement, section 518.58, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 501B; and 523; repealing Minnesota Statutes 1990, section 523.25.

Reports the same back with the recommendation that the bill be amended as follows:

Page 9, line 35, after "date" insert ", if any,"

Page 19, line 11, after "Address" insert "of Person Granting the Power"

Page 20, line 3, before "Principal" insert "the above-named"

Page 20, line 5, delete everything after the colon

Page 20, line 6, delete everything before "with" and insert "To act for

me in any way that I could act"

Page 20, delete lines 21 and 22 and insert:

"property transactions in Minnesota to his or her spouse.)"

Page 26, line 19, after the period, insert *"In the case of real property located in the state of Minnesota the powers described in this subdivision are limited by the provisions of section 519.06."*

Page 26, line 31, after "beneficiary" insert *"or participant"*

Page 28, lines 29 and 36, after "beneficiary" insert *"or participant"*

Page 29, line 13, delete *"or, if"* and insert *"and, if authorized by"*

Page 29, line 14, delete everything after *"Third"* and insert a comma

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1856: A bill for an act relating to real property; providing for mortgage satisfaction or release by fewer than all mortgagees; regulating various notice, hearing, and other procedures and requirements for foreclosures and other involuntary transfers of real property; clarifying provisions relating to notice of termination of contract for deed; amending Minnesota Statutes 1990, sections 508.57; 508.58; 508.67; 508A.58; 514.08, subdivision 2; 514.10; 559.21, subdivisions 2a and 3; 580.15; and 582.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 507; and 580.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 29, insert:

"Sec. 2. Minnesota Statutes 1990, section 508.44, subdivision 2, is amended to read:

Subd. 2. [ALTERNATE PROCEEDING.] In lieu of the court directive to the registrar to issue a new duplicate certificate under subdivision 1, the registrar of titles shall issue such a duplicate certificate when directed to do so by the examiner of titles. The directive of the examiner shall be in writing after posting a notice addressed "TO WHOM IT MAY CONCERN" fixing a time when the examiner shall direct the issuance of a new duplicate certificate of title unless valid objections thereto are delivered to the examiner's office prior to the specified time. The notice shall be posted on a bulletin board provided for the posting of legal notices at the courthouse at least seven days prior to the date fixed for the issuance of the directive. No such directive shall be issued by the examiner unless all persons in interest have signed and verified a statement setting forth the facts relating to the reasons why the duplicate certificate cannot be produced, the statement is memorialized upon the certificate of title and there is satisfactory evidence as to the identity of the signers and the facts relating to the loss or destruction of the duplicate certificate of title. Persons in interest in the case of an owner's duplicate certificate are the registered owners or their probate representatives; ~~and in the case of the mortgagee's or lessee's duplicate certificate the persons in interest are the registered owners of the mortgage or lease, as the case may be, or their probate representative.~~

Sec. 3. Minnesota Statutes 1990, section 508.45, is amended to read:

508.45 [COURT MAY ORDER DUPLICATE CERTIFICATE PRODUCED.]

If the registrar of titles is requested to enter a new certificate in pursuance of an instrument which purports to be executed by the registered owner, or by reason of any instrument or proceeding which divests the title of the registered owner against the registered owner's consent, and the outstanding owner's duplicate certificate is not presented for cancellation when such request is made, the registrar of titles shall not enter a new certificate, until authorized so to do by order of the district court. The person who claims to be entitled thereto may make application therefor to the district court, and after due notice and hearing, the court may order the registered owner, or any person withholding the duplicate certificate, to surrender it, and direct the entry of a new certificate upon such surrender. If the person withholding the duplicate certificate is not amenable to the process of the court, or if for any reason the outstanding owner's duplicate certificate cannot be delivered up, the court may by decree annul it, and order a new certificate of title to be entered. ~~If an outstanding mortgagee's or lessee's duplicate certificate is not produced and surrendered when the mortgage or lease is discharged, assigned, or extinguished, the same proceedings may be had to obtain registration as in the case of the nonproduction of an owner's duplicate.~~

Sec. 4. Minnesota Statutes 1990, section 508.55, is amended to read:

508.55 [REGISTRATION OF MORTGAGE; MEMORIAL ENTERED ON CERTIFICATE.]

The registration of a mortgage shall be made in the following manner: The owner's duplicate certificate shall be presented to the registrar, together with the mortgage deed, or other instrument to be registered, and the registrar shall enter upon the original certificate of title and also upon the owner's duplicate certificate a memorial of the purport of the instrument registered, the exact time of filing, and its file number. The registrar shall also note upon the registered instrument the time of filing and a reference to the volume and page where it is registered. ~~The registrar shall also, at the request of the mortgagee or assignee of the mortgagee, make and deliver to the mortgagee or assignee a duplicate certificate of title like the owner's duplicate certificate, except that the words "Mortgagee's Duplicate" shall be written or printed diagonally across its face in large letters. A memorandum of the issuance of the mortgagee's duplicate shall be made upon the original certificate of title.~~

Sec. 5. Minnesota Statutes 1990, section 508.56, is amended to read:

508.56 [ASSIGNMENT AND DISCHARGE OF MORTGAGE.]

When a mortgage, ~~upon which a mortgagee's duplicate has been issued,~~ is assigned, extended, or otherwise dealt with, ~~the mortgagee's duplicate shall be presented to the registrar, together with the instrument dealing with the mortgage, and a memorial of the instrument, shall be made upon the mortgagee's duplicate and upon the original certificate of title. When the mortgage is discharged or otherwise extinguished the mortgagee's duplicate shall be surrendered and stamped "Canceled."~~ In case only a part of the mortgage upon the land is intended to be released or discharged a memorial of such partial release shall be entered. ~~The production of the mortgagee's duplicate certificate shall be conclusive authority to register the instrument~~

therewith presented.”

Page 2, line 26, strike “When a”

Page 2, strike lines 27 and 28

Page 2, line 29, strike “thereof entered therein.”

Page 3, after line 27, insert:

“Sec. 8. Minnesota Statutes 1990, section 508.59, is amended to read:
508.59 [REGISTRATION OF JUDGMENT OR FINAL DECREE.]

A judgment or decree affecting registered land shall be registered upon the presentation of a certified copy thereof to the registrar, who shall enter a memorial thereof upon the original certificate of title; and upon the owner’s duplicate, ~~and upon any outstanding mortgagee’s or lessee’s duplicate,~~ if practicable so to do. When the registered owner of such land is by such judgment or decree divested of an estate in fee therein, or of any part thereof, the prevailing party shall be entitled to a new certificate of title for the land, or so much thereof as may be described in the judgment and decree, and the registrar shall enter such new certificate of title and issue a new owner’s duplicate certificate as in the case of a voluntary conveyance. No such new certificate shall be entered except upon the written certification of the examiner of titles as to the legal sufficiency of the documents presented for filing for the purpose of issuance of a new certificate or upon the order of the district court directing the issuance thereof.”

Page 5, after line 9, insert:

“Sec. 10. Minnesota Statutes 1990, section 508.71, subdivision 6, is amended to read:

Subd. 6. [RECORDED INSTRUMENTS.] When instruments affecting registered land have been recorded in the office of any county recorder in this state, a certified copy thereof may be filed for registration and registered with like effect as the original instrument without the order or directive. The owner’s ~~mortgagee’s, or lessee’s~~ duplicate certificate of title shall be presented to the registrar, together with the certified copy, whenever the presentation is required by statute for registration of the original instrument.

Sec. 11. Minnesota Statutes 1990, section 508.73, is amended to read:
508.73 [EMINENT DOMAIN; REVERSION; VACATION.]

Subdivision 1. [REGISTRATION FILING; NEW CERTIFICATE; MEMORIALS; REVERSION.] If the land of a registered owner, or any right, title, interest, or estate therein is taken by eminent domain, the state or body politic, or other authority which exercises such right, shall file for registration a ~~written~~ *certified copy of a final certificate or a certified copy of a court order transferring title pursuant to section 117.042 together with an instrument containing a description of the land so taken, together with the name of each owner thereof, and referring to each certificate of title by its number and place of registration in the register of titles, and stating what estate or interest in the land is taken, and for what purpose. A memorial of the right, title, interest, or estate thus taken shall be made upon each certificate of title by the registrar, and if the fee is taken, a new certificate shall be entered in the name of the owner for the land remaining to the owner after such taking. A new certificate may not be entered except by order of the district court or upon the written certification of the examiner*

of titles as to the legal sufficiency of the final certificate or court order pursuant to section 117.042 and other instruments presented for filing for the purpose of issuance of a new certificate. If the owner has a lien for damages upon the land thus taken, this fact shall be stated in the memorial of registration. All fees on account of any memorial of registration or entry of new certificates for land thus taken shall be paid by the state or body politic or other authority which takes the land. If land which was taken for public use reverts, by operation of law, to the owner or to the owner's heirs or assigns, the district court, upon the application of the person entitled to the benefit of such reversion, and after due notice and hearing, may order the entry of a new certificate of title to the person entitled thereto.

Subd. 2. [VACATION OF STREET OR ALLEY; LEGAL DESCRIPTION.] Upon the filing of a certified copy of a resolution or ordinance by a city vacating an adjoining street or alley that was dedicated to the public in a plat, a registered owner is entitled to have added to the legal description on the certificate of title that part of the vacated street or alley that accrues to it, provided the vacation occurred after the land was originally registered. The vacated street or alley may be added to the certificate of title by order of the district court or by a written directive from the examiner of titles.

Sec. 12. Minnesota Statutes 1991 Supplement, section 508.82, is amended to read:

508.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), ~~(10)~~, (12), (13), (14), ~~(15)~~ (16), (17), and (18), and ~~(19)~~; for filing or memorializing shall be paid to the state treasurer and credited to the general fund;

(2) for registering each original certificate of title, and issuing a duplicate of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the issuance and registration of the new certificate of title, \$30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate certificates, \$15;

~~(5) for issuing each mortgagee's or lessee's duplicate, \$10;~~

~~(6) for issuing each residue certificate, \$20;~~

~~(7)~~ (6) for exchange certificates, \$10 for each certificate canceled and \$10 for each new certificate issued;

~~(8)~~ (7) for each certificate showing condition of the register, \$10;

~~(9)~~ (8) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

~~(10)~~ (9) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

~~(1)~~ (10) for filing two copies of any plat in the office of the registrar, \$30;

~~(2)~~ (11) for any other service under this chapter, such fee as the court shall determine;

~~(3)~~ (12) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;

~~(4)~~ (13) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;

~~(5)~~ (14) for filing a condominium plat or an amendment to it in accordance with chapter 515, \$30;

~~(6)~~ (15) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the condominium plat with a minimum fee of \$10;

~~(7)~~ (16) for filing a condominium declaration and plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium plat or an amendment thereto;

~~(8)~~ (17) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$10;

~~(9)~~ (18) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$30;

~~(20)~~ (19) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$10.

Sec. 13. Minnesota Statutes 1990, section 508.835, is amended to read:

508.835 [DISPOSAL OF CANCELED DUPLICATE CERTIFICATES AND RECEIPT CARDS.]

The registrar of titles is hereby authorized to destroy owner's duplicate certificates marked "canceled," upon the entry of a new owner's duplicate certificate, ~~mortgagee's duplicate certificates marked "canceled"~~ and the receipt cards for such "canceled" certificates.

Sec. 14. Minnesota Statutes 1990, section 508A.11, subdivision 3, is amended to read:

Subd. 3. [FEES.] Before the examiner of titles examines the abstract of title, the applicant shall pay to the registrar of titles the fee provided by section 508A.82, clause ~~(18)~~ (17).

Sec. 15. Minnesota Statutes 1990, section 508A.44, subdivision 2, is amended to read:

Subd. 2. [ALTERNATE PROCEEDING.] In lieu of the court directive to the registrar to issue a new duplicate CPT under subdivision 1, the registrar of titles shall issue a duplicate CPT when directed to do so by the examiner of titles. The directive of the examiner shall be in writing after posting a notice addressed "TO WHOM IT MAY CONCERN" fixing a time when the examiner shall direct the issuance of a new duplicate CPT

unless valid objections to it are delivered to the examiner's office prior to the specified time. The notice shall be posted on a bulletin board provided for the posting of legal notices at the courthouse at least seven days prior to the date fixed for the issuance of the directive. No directive shall be issued by the examiner unless all persons in interest have signed and verified a statement setting forth the facts relating to the reasons why the duplicate CPT cannot be produced, the statement is memorialized upon the CPT and there is satisfactory evidence as to the identity of the signers and the facts relating to the loss or destruction of the duplicate CPT. Persons in interest in the case of an owner's duplicate CPT are the registered owners or their probate representatives; ~~and in the case of the mortgagee's or lessee's duplicate CPT, the persons in interest are the registered owners of the mortgage or lease, as the case may be, or their probate representative.~~

Sec. 16. Minnesota Statutes 1990, section 508A.45, is amended to read:

508A.45 [COURT MAY ORDER DUPLICATE CPT PRODUCED.]

If the registrar of titles is requested to enter a new CPT in pursuance of an instrument which purports to be executed by the registered owner, or by reason of any instrument or proceeding which divests the title of the registered owner against the registered owner's consent, and the outstanding owner's duplicate CPT is not presented for cancellation when the request is made, the registrar of titles shall not enter a new CPT until authorized so to do by order of the district court. The person who claims to be entitled to it may apply for it to the district court, and after due notice and hearing, the court may order the registered owner, or any person withholding the duplicate CPT, to surrender it, and direct the entry of a new CPT upon the surrender. If the person withholding the duplicate CPT is not amenable to the process of the court, or if for any reason the outstanding owner's duplicate CPT cannot be delivered up, the court may by decree annul it, and order a new CPT to be entered. ~~If an outstanding mortgagee's or lessee's duplicate CPT is not produced and surrendered when the mortgage or lease is discharged, assigned, or extinguished, the same proceedings may be had to obtain registration as in the case of the nonproduction of an owner's duplicate.~~

Sec. 17. Minnesota Statutes 1990, section 508A.55, is amended to read:

508A.55 [REGISTRATION OF MORTGAGE; MEMORIAL ENTERED ON CERTIFICATE.]

The registration of a mortgage shall be made in the following manner: The owner's duplicate CPT shall be presented to the registrar, together with the mortgage deed, or other instrument to be registered, and the registrar shall enter upon the original CPT and also upon the owner's duplicate CPT a memorial of the purport of the instrument registered, the exact time of filing, and its file number. The registrar shall also note upon the registered instrument the time of filing and a reference to the volume and page where it is registered. ~~The registrar shall also, at the request of the mortgagee or assignee of the mortgage, make and deliver to the mortgagee or assignee a duplicate CPT like the owner's duplicate CPT, except that the words "Mortgagee's Duplicate" shall be written or printed diagonally across its face in large letters. A memorandum of the issuance of the mortgagee's duplicate shall be made upon the original CPT.~~

Sec. 18. Minnesota Statutes 1990, section 508A.56, is amended to read:

508A.56 [ASSIGNMENT AND DISCHARGE OF MORTGAGE.]

When a mortgage, upon which a mortgagee's duplicate has been issued, is assigned, extended, or otherwise dealt with, the mortgagee's duplicate shall be presented to the registrar, together with the instrument dealing with the mortgage, and a memorial of the instrument, shall be made upon the mortgagee's duplicate and upon the original CPT. When the mortgage is discharged or otherwise extinguished the mortgagee's duplicate shall be surrendered and stamped "Canceled." In case only a part of the mortgage upon the land is intended to be released or discharged, a memorial of the partial release shall be entered. The production of the mortgagee's duplicate CPT shall be conclusive authority to register the instrument presented with it.

Sec. 19. Minnesota Statutes 1990, section 508A.57, is amended to read:

508A.57 [FORECLOSURE; NOTICE.]

Mortgages upon land registered under sections 508A.01 to 508A.85 may be foreclosed in the same manner as mortgages upon unregistered land. Where the mortgage is upon registered land it shall be sufficient to authorize the foreclosure of it by advertisement, if the mortgage and all assignments of it have been registered, and a memorial of it duly entered upon the CPT. When a mortgage upon the registered land is foreclosed by advertisement, the notice of foreclosure shall state the date of the mortgage, when and where registered, and the fact of registration. All laws relating to the foreclosure of mortgages upon unregistered land shall apply to mortgages upon land registered under sections 508A.01 to 508A.85, or any estate or interest therein, except as herein provided, and except that a notice of the pendency of any suit or proceeding to enforce or foreclose the mortgage or other charge upon the land shall be filed with the registrar, and a memorial of it entered on the register at the time of or prior to the commencement of the action or proceeding before the first date of publication of the foreclosure notice but not sooner than six months before the first date of publication. A notice so filed and registered shall be notice to the registrar and to all persons thereafter dealing with the land or any part of it and satisfies the requirements of section 580.032, subdivision 3, with respect to registered land. When a mortgagee's duplicate CPT has been issued it shall be presented to the registrar at the time of filing and a memorial of it entered. In all foreclosures, all certificates and affidavits permitted or required by law to be recorded with the county recorder shall be filed with the registrar who shall register them."

Page 6, after line 4, insert:

"Sec. 21. Minnesota Statutes 1990, section 508A.59, is amended to read:

508A.59 [REGISTRATION OF JUDGMENT OR FINAL DECREE.]

A judgment or decree affecting land registered under sections 508A.01 to 508A.85 shall be registered upon the presentation of a certified copy of it to the registrar, who shall enter a memorial of it upon the original CPT, and upon the owner's duplicate, and upon any outstanding mortgagee's or lessee's duplicate, if practicable so to do. When the registered owner of the land is by the judgment or decree divested of an estate in fee in it, or of any part of it, the prevailing party shall be entitled to a new CPT for the land, or so much of it as is described in the judgment and decree. The registrar shall enter the new CPT and issue a new owner's duplicate CPT as in the case of a voluntary conveyance. No new CPT shall be entered except upon the written certification of the examiner of titles as to the legal sufficiency of the documents presented for filing for the purpose of issuance

of a new CPT or upon the order of the district court directing the issuance of it.

Sec. 22. Minnesota Statutes 1990, section 508A.71, subdivision 6, is amended to read:

Subd. 6. [CERTIFIED COPIES OF INSTRUMENTS; FILING.] When instruments affecting land registered under sections 508A.01 to 508A.85 have been recorded in the office of any county recorder in this state, a certified copy of it may be filed for registration and registered with like effect as the original instrument without an order or directive. The owner's, ~~mortgagee's, or lessee's~~ duplicate CPT shall be presented to the registrar, together with the certified copy, whenever the presentation is required by statute for registration of the original instrument.

Sec. 23. Minnesota Statutes 1990, section 508A.73, is amended to read:

508A.73 [EMINENT DOMAIN; REVERSION; VACATION.]

Subdivision 1. [REGISTRATION FILING; NEW CPT; MEMORIALS; REVERSION.] If the land of a registered owner, or any right, title, interest, or estate in it is taken by eminent domain, the state or body politic, or other authority which exercises the right, shall file for registration a ~~written certified copy of a final certificate or a certified copy of a court order transferring title pursuant to section 117.042 together with an instrument~~ containing a description of the land taken, together with the name of each owner of it, and referring to each CPT by its number and place of registration in the register of titles, and stating what estate or interest in the land is taken, and for what purpose. A memorial of the right, title, interest, or estate thus taken shall be made upon each CPT by the registrar. If the fee is taken, a new CPT shall be entered in the name of the owner for the land remaining to the owner after the taking. *A new CPT may not be entered except by order of the district court or upon the written certification of the examiner of titles as to the legal sufficiency of the final certificate or court order pursuant to section 117.042 and other instruments presented for filing for the purpose of issuance of a new CPT.* If the owner has a lien for damages upon the land thus taken, this fact shall be stated in the memorial of registration. All fees on account of any memorial of registration or entry of new CPTs for land thus taken shall be paid by the state or body politic or other authority which takes the land. If land which was taken for public use reverts, by operation of law, to the owner or to heirs or assigns, the district court, upon the application of the person entitled to the benefit of the reversion, and after due notice and hearing, may order the entry of a new CPT to the person entitled to it.

Subd. 2. [VACATION OF STREET OR ALLEY; LEGAL DESCRIPTION.] Upon the filing of a certified copy of a resolution or ordinance by a city vacating an adjoining street or alley that was dedicated to the public in a plat, a registered owner is entitled to have added to the legal description on the CPT that part of the vacated street or alley that accrues to it, provided the vacation occurred after the land was originally registered. The vacated street or alley may be added to the CPT by order of the district court or by a written directive from the examiner of titles.

Sec. 24. Minnesota Statutes 1991 Supplement, section 508A.82, is amended to read:

508A.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), ~~(11) (10)~~, (12), (13), (14), ~~(15)~~, ~~(17) (16)~~, and ~~(19) (18)~~, for filing or memorializing shall be paid to the state treasurer and credited to the general fund;

(2) for registering each original CPT, and issuing a duplicate of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the issuance and registration of the new CPT, \$30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate CPTs, \$15;

~~(5) for issuing each mortgagee's or lessee's duplicate, \$10;~~

~~(6) for issuing each residue CPT, \$20;~~

~~(7) (6) for exchange CPTs, \$10 for each CPT canceled and \$10 for each new CPT issued;~~

~~(8) (7) for each certificate showing condition of the register, \$10;~~

~~(9) (8) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;~~

~~(10) (9) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;~~

~~(11) (10) for filing two copies of any plat in the office of the registrar, \$30;~~

~~(12) (11) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;~~

~~(13) (12) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;~~

~~(14) (13) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;~~

~~(15) (14) for filing a condominium plat or an amendment to it in accordance with chapter 515, \$30;~~

~~(16) (15) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the plat with a minimum fee of \$10;~~

~~(17) (16) for filing a condominium declaration and condominium plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium plat or an amendment to it;~~

~~(18) (17) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees,~~

for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

~~(19)~~ (18) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$30;

~~(20)~~ (19) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$10.

Sec. 25. Minnesota Statutes 1990, section 508A.835, is amended to read:

508A.835 [DISPOSAL OF CANCELED DUPLICATE CPTS AND RECEIPT CARDS.]

The registrar of titles is authorized to destroy owner's duplicate CPTs marked "canceled," upon the entry of a new owner's duplicate CPT, ~~mortgagee's duplicate CPTs marked "canceled"~~ and the receipt cards for the "canceled" CPTs.

Sec. 26. Minnesota Statutes 1990, section 508A.85, subdivision 3, is amended to read:

Subd. 3. [CHANGEOVER AT REQUEST OF OWNER.] Subsequent to the expiration of the five year period set forth in section 508A.17, any registered owner of a CPT may file with the registrar of titles a request for a changeover, and upon payment of the fee for an exchange as specified in section 508A.82, clause ~~(7)~~ (6), the registrar shall issue a certificate of title and cancel the CPT."

Pages 6 to 10, delete section 7

Page 15, line 27, delete "10" and insert "30"

Page 16, line 8, delete "9" and insert "29"

Page 16, line 12, delete "8 and 9" and insert "28 and 29"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to real property; abolishing issuance of duplicate certificates of title and duplicate CPTs for use by lessees and mortgagees of registered land; providing for mortgage satisfaction or release by fewer than all mortgagees; regulating various notice, hearing, and other procedures and requirements for foreclosures and other involuntary transfers of real property; clarifying provisions relating to notice of termination of contract for deed; amending Minnesota Statutes 1990, sections 508.44, subdivision 2; 508.45; 508.55; 508.56; 508.57; 508.58; 508.59; 508.67; 508.71, subdivision 6; 508.73; 508.835; 508A.11, subdivision 3; 508A.44, subdivision 2; 508A.45; 508A.55; 508A.56; 508A.57; 508A.58; 508A.59; 508A.71, subdivision 6; 508A.73; 508A.835; 508A.85, subdivision 3; 514.08, subdivision 2; 559.21, subdivisions 2a and 3; 580.15; and 582.01, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 508.82; and 508A.82; proposing coding for new law in Minnesota Statutes, chapters 507; and 580."

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. 2710. A bill for an act relating to agriculture; the Minnesota rural finance authority, providing for establishment of an agricultural improvement loan program for grade B dairy producers; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, section 41B.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B.

Reports the same back with the recommendation that the bill be amended as follows.

Delete everything after the enacting clause and insert:

Section 1. Minnesota Statutes 1990, section 32.21, is amended to read:

32 21 [ADULTERATED MILK AND CREAM DAIRY PRODUCTS.]

Subdivision 1 [PURCHASE AND SALE PROHIBITION.] A person may not sell or knowingly buy adulterated ~~milk or cream~~ dairy products.

Subd. 2. [MANUFACTURE OF FOOD FOR HUMAN CONSUMPTION FROM ADULTERATED MILK OR CREAM PROHIBITED.] An article of food for human consumption may not be manufactured from adulterated milk or cream, except as provided in section 32.22 or the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 301 et seq., and related federal regulations.

When processing milk, all bulk milk pickup tankers must be tested for the presence of beta lactium drug residues and for other residues as determined necessary by the commissioner. Test methods must be those approved by the Association of Analytical Chemists (AOAC) or under the AOAC C2 program. Bulk milk tankers testing positive must be reported to the commissioner or the commissioner's agent within 24 hours. This report must include how and where the milk was disposed of, the volume, the responsible producer, and the possible cause of the violative residue. All milk sample residue results must be recorded and retained for examination by the commissioner or the commissioner's agent for six months by the receiving plant. Milk received from a producer in other than a bulk milk pickup tanker is also subject to this section.

Subd. 3. [ADULTERATED MILK OR CREAM.] For purposes of this section and section 32.22, milk ~~or cream~~ is adulterated if it:

- (1) milk is drawn in a filthy or unsanitary place;
- (2) milk is drawn from unhealthy or diseased cows;
- (3) milk is drawn from cows that are fed garbage or an unwholesome animal or vegetable substance;
- (4) milk is drawn from cows within 15 days before calving, or five days after calving;
- (5) milk ~~or cream~~ contains water in excess of that normally found in milk;
- (6) contains a substance that is not a normal constituent of the milk ~~or cream~~, as determined by laboratory procedures established by rule or except as allowed in this chapter;
- (6) milk contains water in excess of that normally present in milk; or

(7) ~~milk or cream contains antibiotics drug residues or other bacterial inhibitory chemical or biological substances in amounts above the actionable tolerances or safe levels established by rule or under section 32.415.~~

Subd. 4. [PENALTIES.] (a) A person, other than a milk producer, who violates this section is guilty of a misdemeanor *or subject to a civil penalty up to \$1,000.*

(b) A milk producer may not change milk plants within 30 days, without permission of the commissioner, after receiving notification from the commissioner under paragraph (c) *or (d)* that the milk producer has violated this section.

(c) ~~A milk producer who violates this section shall be subject to a civil penalty of \$100. The commissioner must notify the person violating this section by certified mail stating:~~

~~(1) the milk producer violating this section is on probation for one year after the date of violation; and~~

~~(2) the \$100 civil penalty is suspended unless the milk producer violates this section during the probation period, including changing milk plants within 30 days after the violation.~~

~~(d) A milk producer who violates this section a second time within a 12-month period is subject to a \$200 civil penalty. The commissioner must notify the milk producer violating this section stating:~~

~~(1) the milk producer is still on probation;~~

~~(2) the \$200 civil penalty is suspended, unless the milk producer violates this section during the probation period, including changing milk plants within 30 days after the violation; and~~

~~(3) the consequences of a third violation.~~

~~(e) A milk producer who violates this section three or more times within a 12-month period is subject to a fine of \$300.~~

~~(f) Penalties collected under this section shall be deposited in the milk inspection service account created in section 32.394, subdivision 9, subdivision 3, clause (1), (2), (3), (4), or (5), is subject to clauses (1) to (3) of this paragraph.~~

(1) Upon notification of the first violation in a 12-month period, the producer must meet with the dairy plant field service representative to initiate corrective action within 30 days.

(2) Upon the second violation within a 12-month period, the producer is subject to a civil penalty of \$300. The commissioner shall notify the producer by certified mail stating the penalty is payable in 30 days, the consequences of failure to pay the penalty, and the consequences of future violations.

(3) Upon the third violation within a 12-month period, the producer is subject to an additional civil penalty of \$300 and possible revocation of the producer's permit or certification. The commissioner shall notify the producer by certified mail that all civil penalties owed must be paid within 30 days and that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for at least 30 days.

(d) The producer's shipment of milk must be immediately suspended if

the producer is identified as an individual source of milk containing residues in violation of subdivision 3, clause (6) or (7). Shipment may resume only after subsequent milk has been sampled by the commissioner or the commissioner's agent and found to contain no residues above established tolerances or safe levels. A milk producer who violates subdivision 3, clause (6) or (7), is subject to clauses (1) to (3) of this paragraph.

(1) For the first violation in a 12-month period, a producer shall not receive payment for any milk contaminated or the equivalent of at least the value of two days' milk production on that farm. Milk purchased for use from the producer during the two-day penalty period will be assessed a civil penalty equal to the minimum value of that milk and is payable to the commissioner by the dairy plant or marketing organization who purchases the milk. The producer remains eligible only for manufacturing grade until the producer completes the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the signed certificate in the milkhouse, and sends verification to the commissioner. To maintain a permit or certification to market milk, this program must be completed within 30 days.

(2) For the second violation in a 12-month period, a producer shall not receive payment for any milk contaminated or the equivalent of at least the value of four days' milk production on that farm. Milk purchased for use from the producer during the four-day penalty period will be assessed a civil penalty equal to the minimum value of that milk and is payable to the commissioner by the dairy plant or marketing organization who purchases the milk. The producer remains eligible only for manufacturing grade until the producer reviews the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the updated certificate in the milkhouse, and sends verification to the commissioner. To maintain a permit or certification to market milk, this program must be reviewed within 30 days.

(3) For the third violation in a 12-month period, a producer shall not receive payment for any milk contaminated or the equivalent of at least the value of four days' milk production on that farm. Milk purchased for use from the producer during the four-day penalty period will be assessed a civil penalty equal to the minimum value of that milk and is payable to the commissioner by the dairy plant or marketing organization who purchases the milk. The producer remains eligible only for manufacturing grade until the producer reviews the "Milk and Dairy Beef Residue Prevention Protocol" with a licensed veterinarian, displays the updated certificate in the milkhouse, and sends verification to the commissioner. To maintain a permit or certification to market milk, this program must be reviewed within 30 days. The commissioner shall also notify the producer by certified mail that the commissioner is initiating administrative procedures to revoke the producer's permit or certification to sell milk for a minimum of 30 days.

(e) A milk producer that has been certified as completing the "Milk and Dairy Beef Residue Prevention Protocol" within 12 months of the first violation of subdivision 3, clause (7), need only review the cause of the violation with a field service representative within three days to maintain shipping status if all other requirements of this section are met.

(f) Civil penalties collected under this section must be deposited in the milk inspection services account established in this chapter.

Sec. 2. Minnesota Statutes 1990, section 41B.02, is amended by adding a subdivision to read:

Subd. 19. [AGRICULTURAL IMPROVEMENTS.] "Agricultural improvements" means improvements to a farm, including the purchase and construction or installation of improvements to land, buildings, and other permanent structures, including equipment incorporated in or permanently affixed to the land, buildings, or structures, which are useful for and intended to be used for the purpose of farming. "Agricultural improvements" does not include equipment not affixed to real estate or improvements or additions to that equipment.

Sec. 3. [41B.043] [AGRICULTURAL IMPROVEMENT LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority may establish, adopt rules for, and implement an agricultural improvement loan program to finance agricultural improvements. Loans may be made to borrowers who meet the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in farming. In the first two years, all loans must be given to grade B dairy farmers for the purpose of enabling them to upgrade to grade A.

Subd. 2. [SPECIFICATIONS.] No loan may exceed \$20,000, be made to refinance an existing debt, or be made at an interest rate in excess of eight percent. Each loan must be secured by a mortgage on real property comprising all or part of the farm on which the improvements are made, and such other security as the authority may require.

Subd. 3. [FUNDING.] The authority shall establish and make all agricultural improvement loans from an agricultural improvement loan program revolving fund. Money appropriated or otherwise provided for purposes of the program, and all loan payments, must be deposited in the fund and used to make loans and pay costs of the program and are annually appropriated for this purpose. The interest on loans repaid to the state must be credited to the revolving fund and may be spent by the commissioner of agriculture for administrative expenses.

Sec. 4. [AGRICULTURAL IMPROVEMENT LOAN PROGRAM FUNDING.]

Subdivision 1. [APPROPRIATION.] \$5,000,000 is appropriated to the Minnesota rural finance authority from the rural finance authority security account to fund the agency's agricultural improvement loan program.

Subd. 2. [BONDS.] The appropriation made under subdivision 1 shall be funded by the issuance of general obligation bonds as provided for in Minnesota Statutes, section 41B.19. The bonds must be issued and sold in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and the Minnesota Constitution, article XI. The legislature determines that the bonds are being issued to develop the state's agricultural resources by extending credit on real estate security.

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 agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan

program for grade B dairy producers; changing provisions concerning adulterated dairy products; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, sections 32.21, and 41B.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 41B.”

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. 2704: A bill for an act relating to human services; expanding provider surcharges to include providers not participating in the medical assistance program; modifying provider reimbursement rates; amending Minnesota Statutes 1990, sections 256B.431, subdivision 2i, and by adding a subdivision; and 256B.48, subdivision 1b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.071, subdivisions 3 and 3a; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding a subdivision; 256.969, subdivisions 1, 9, 20, and 21; 256B.431, subdivision 3f; and 256B.74, subdivisions 1 and 3; repealing Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256B.74, subdivisions 8 and 9; and Law's 1991, chapter 292, article 4, section 77.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [144.0505] [COOPERATION WITH COMMISSIONER OF HUMAN SERVICES.]

The commissioner shall promptly provide to the commissioner of human services upon request any information on hospital revenues, nursing home licensure, and health maintenance organization revenues required by the commissioner of human services to operate the provider surcharge program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme

hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home pleads to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires, on a regular basis, various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 149A.013, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another

within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided:

(1) the nursing home beds are not certified for participation in the medical assistance program; and

(2) the relocation of nursing home beds under this clause should not exceed a radius of six miles;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds. The relocated beds need not be licensed and certified at the new location simultaneously with the delicensing and decertification of the old beds and may be licensed and certified at any time after the old beds are delicensed and decertified;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds;

(o) to certify or license new beds in a new facility on the Red Lake Indian Reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b):

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less; or to license as nursing home beds boarding care beds in a facility with an addendum to its provider agreement effective beginning July 1, 1983, if the boarding care beds to be upgraded meet the standards for nursing home licensure. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements:

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause;

(r) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements:

(s) to license or certify beds that are moved from a nursing home to a separate facility under common ownership or control that was formerly licensed as a hospital and is currently licensed as a nursing facility and that is located within eight miles of the original facility, provided the original nursing home building will no longer be operated as a nursing home. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation; or

(t) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more; *or*

(u) to certify, prior to July 1, 1993, beds in a facility that has no certified beds but was licensed and in operation prior to January 1, 1992.

Sec. 3. Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION OF LICENSED BEDS IN A CERTIFIED FACILITY.] Nothing in this section prohibits the commissioner of health from certifying licensed nursing home beds in a facility certified for medical assistance provided that these beds meet the certification requirements ~~and the facility enters into a written agreement with the commissioner of human services specifying that medical assistance reimbursement shall not be requested for a greater number of residents than the facility had medical assistance certified beds on April 1, 1994.~~

Sec. 4. Minnesota Statutes 1990, section 147.02, is amended by adding a subdivision to read:

Subd. 7. [INFORMATION FOR COMMISSIONER OF HUMAN SERVICES.] The board shall promptly provide to the commissioner of human services upon request any information on physician licensure required by the commissioner to operate the provider surcharge program.

Sec. 5. Minnesota Statutes 1991 Supplement, section 256.9656, is amended to read:

256.9656 [DEPOSITS INTO THE GENERAL FUND.]

All money collected under section 256.9657 shall be deposited in the general fund ~~and is appropriated to the commissioner of human services for the purposes of section 256B.74.~~ Deposits do not cancel and are available until expended.

Sec. 6. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. [NURSING FACILITY HOME LICENSE SURCHARGE.] Effective ~~July 1, 1994~~ *October 1, 1992*, each *nonstate operated* nursing facility ~~subject to the reimbursement principles in Minnesota Rules, parts 9549.0010 to 9549.0080, home licensed under chapter 144A~~ shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as ~~\$500~~ *\$540* per bed licensed on the previous ~~April 1~~ *July 1*, *except that if the number of licensed beds is reduced after July 1 but prior to August 1, the surcharge shall be based on the number of remaining licensed beds. A nursing home entitled to a reduction in the number of beds subject to the surcharge under this provision must demonstrate to the satisfaction of the commissioner by August 5 that the number of beds has been reduced. The surcharge shall be \$600 per bed for the fiscal year beginning July 1, 1993, and \$625 per bed for the fiscal year beginning July 1, 1994.*

Sec. 7. Minnesota Statutes 1991 Supplement, section 256.9657, is amended by adding a subdivision to read:

Subd. 1a. [WAIVER REQUEST.] The commissioner shall request a waiver from the Secretary of Health and Human Services to exclude from the surcharge under subdivision 1 a nursing home that provides all services free of charge and to make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge. If a waiver is approved under this subdivision, the commissioner shall not collect a surcharge from a nursing home that demonstrates to the satisfaction of the commissioner that all services are provided free of charge and shall make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge.

Sec. 8. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] (a) Effective ~~July 1, 1991~~ October 1, 1992, each Minnesota and local trade area hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to ~~ten~~ 1.6 percent of medical assistance payments issued to net patient revenues excluding net Medicare revenues reported by that provider for inpatient services to the health care cost information system according to the schedule in subdivision 4. Medicare crossovers and indigent care payments paid under section 256B.74 are excluded from the amount of medical assistance payments issued.

(b) Effective ~~July 1, 1991~~, each Minnesota and local trade area hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to five percent of medical assistance payments issued to that provider for outpatient services according to the schedule in subdivision 4. Medicare crossovers are excluded from the amount of medical assistance payments issued.

Sec. 9. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH PLAN MAINTENANCE ORGANIZATION SURCHARGE.] Effective ~~July 1, 1991~~ October 1, 1992, each health plan under contract with maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D shall pay to the commissioner of human services a surcharge equal to the equivalent value of the surcharges described in subdivision 2 for each medical assistance rate cell payment seven-tenths of one percent of the total premium revenues of the health maintenance organization as reported to the commissioner of health according to the schedule in subdivision 4. The surcharge for each quarter or month of a fiscal year shall be calculated based on the payments due in September of the same fiscal year under subdivision 2.

Sec. 10. Minnesota Statutes 1991 Supplement, section 256.9657, is amended by adding a subdivision to read:

Subd. 3a. [LICENSED PHYSICIAN SURCHARGE.] Each physician licensed by the board of medical practice shall pay to the commissioner an annual license surcharge of \$600 according to the schedule in subdivision 4.

Sec. 11. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS INTO THE ACCOUNT.] Payments to the commissioner under ~~subdivision~~ subdivisions 1 to 3a must be paid in monthly

installments due on the 15th of the month beginning ~~August 15, 1991~~ *October 15, 1992*. The monthly payment must be equal to the annual surcharge divided by 12. Payments to the commissioner under subdivisions 2 and 3 ~~for fiscal year 1993 must be paid as follows: the first payment is a quarterly payment due September 15, 1991, with subsequent payments due monthly on the fifteenth of each month. The September 15, 1991, payment under subdivisions 2 and 3 shall be determined by taking the amount of medical assistance payments issued to each provider in the calendar quarter beginning six months prior to the quarter in which the payment is due multiplied by the percentage surcharge for each provider. The subsequent monthly payments shall be determined by taking the amount of medical assistance payments issued to each provider in the month beginning six months prior to the month in which the payment is due multiplied by the percentage surcharge for each provider based on calendar year 1990 revenues. Effective July 1 of each year, beginning in 1993, payments under subdivisions 2 and 3 must be based on revenues earned in the second previous calendar year.~~

Sec. 12. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 7, is amended to read:

Subd. 7. ~~[ENFORCEMENT COLLECTION; CIVIL PENALTIES.] The commissioner shall bring action in district court to collect provider payments due under subdivisions 1 to 3 that are more than 30 days in arrears. The provisions of sections 289A.35 to 289A.50 relating to the authority to audit, assess, collect, and pay refunds of other state taxes may be implemented by the commissioner of human services with respect to the tax, penalty, and interest imposed by this section. The commissioner of human services shall impose civil penalties for violation of this section as provided in section 289A.60, and the tax and penalties are subject to interest at the rate provided in section 270.75.~~

Sec. 13. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 1, is amended to read:

Subdivision 1. ~~[HOSPITAL COST INDEX.] The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits, medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index shall be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program for admissions occurring during the biennium ending June 30, 1993, and the hospital cost index under medical assistance shall be increased by one percentage point to reflect changes in technology.~~

Sec. 14. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 9, is amended to read:

Subd. 9. ~~[DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989~~

October 1, 1992, the medical assistance disproportionate population adjustment shall comply with federal law ~~at fully implemented rates and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:~~

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service but less than or equal to one standard deviation above the mean, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment that would be determined under paragraph (1) for that hospital by 1.1. If federal matching funds are not available for all adjustments under this subdivision, the commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for federal match. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program.

Sec. 15. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20, is amended to read:

Subd. 20. [INCREASES IN MEDICAL ASSISTANCE INPATIENT PAYMENTS; CONDITIONS.] (a) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period

January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare cross-overs, that occur after September 30, 1992, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare cross-overs, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

Sec. 16. Minnesota Statutes 1990, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system.

During the transition period:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8), shall not be implemented, except as provided in section 256.969, subdivision 6a, paragraph (a), clause (7), and paragraph (i).

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. ~~For payments made for admissions occurring on or after June 1, 1990, shall not be adjusted by the one percent technology factor included in the hospital cost index and~~ the hospital cost index shall not exceed five percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 6a, paragraphs (g) and (h).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

Sec. 17. Minnesota Statutes 1990, section 256B.19, is amended by adding a subdivision to read:

Subd. 1b. [PORTION OF NONFEDERAL SHARE TO BE PAID BY GOVERNMENT HOSPITALS.] In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision are responsible for an additional portion of the nonfederal share of medical assistance costs attributable to the operation of certain public hospitals located within, or subject to, the jurisdiction of the designated governmental units. For purposes of this subdivision, "designated governmental unit" means Hennepin county, Ramsey county, or the University of Minnesota hospitals and clinics. For purposes of this subdivision, "public hospital" means the Hennepin county medical center, the St. Paul-Ramsey medical center, or the University of Minnesota hospitals and clinics.

Each of the governmental units designated in this subdivision shall on a monthly basis assess the public hospital within or under its jurisdiction, in an amount equal to one percent of the public hospital's net patient revenues, excluding net Medicare revenue. These sums shall be transmitted to the state Medicaid agency as part of the local governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 18. Minnesota Statutes 1990, section 256B.431, subdivision 2i, is amended to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the other operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to 110 percent of the median of the array of allowable historical other operating cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other operating cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to 125 percent of the median of the array of the allowable historical case mix operating cost standardized per diems and the allowable historical other care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2. For the rate period beginning October 1, 1992, and for rate years beginning after June 30, 1993, the amount of the surcharge under section 256.9657, subdivision 1, shall be included in the plant operations and maintenance operating cost category. The surcharge shall be an allowable cost for the purpose of establishing the payment rate.

(c) [SALARY ADJUSTMENT PER DIEM.] For the rate period October 1, 1988, to June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by 3.5 percent and then dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1990.

(d) [NEW BASE YEAR.] The commissioner shall establish new base years for both the reporting year ending September 30, 1989, and the reporting year ending September 30, 1990. In establishing new base years, the commissioner must take into account:

(1) statutory changes made in geographic groups;

(2) redefinitions of cost categories; and

(3) reclassification, pass-through, or exemption of certain costs such as public employee retirement act contributions.

(e) [NEW BASE YEAR.] *The commissioner shall establish a new base year for the reporting year ending September 30, 1991. In establishing a new base year, the commissioner must take into account:*

(1) *statutory changes made in geographic groups;*

(2) *redefinitions of cost categories; and*

(3) *reclassification, pass-through, or exemption of certain costs.*

Sec. 19, Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f, is amended to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be \$49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1990, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1991, the replacement-cost-new per bed limits will be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1), except that the index utilized will be the Bureau of the Census: Composite fixed-weighted price index as published

in the Survey of Current Business.

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing home's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by ten cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E. *For the rate period beginning October 1, 1992, the equipment allowance for each nursing facility shall be increased by 28 percent. For rate years beginning after June 30, 1993, the allowance must be adjusted annually for inflation.*

(e) [POST CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, shall not apply to outstanding related organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principal payments, and the nursing home demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the nursing home must also demonstrate that the seller no longer participates in the management or operation of the nursing home. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [BUILDING CAPITAL ALLOWANCE FOR NURSING HOMES WITH OPERATING LEASES.] For rate years beginning on or after July 1, 1990, a nursing home with operating lease costs incurred for the nursing home's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8.

Sec. 20. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 9a. [ONE-TIME ADJUSTMENT FOR 21-MONTH FACTOR.] For the rate period beginning October 1, 1992, the 21-month inflation factor for operating costs shall be increased by seven-tenths of one percent.

Sec. 21. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 13. [HOLD-HARMLESS PROPERTY-RELATED RATES.] (a) Terms used in subdivisions 13 to 20 shall be as defined in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) Except as provided in this subdivision, for rate periods beginning after June 30, 1992, the property-related rate for a nursing facility shall be the greater of \$4 or the property-related payment rate in effect on June 30, 1992. In addition, the incremental increase in rate will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section for allowable costs incurred after September 30, 1991.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item F, a nursing facility that has a change in ownership or reorganization of provider entity after June 30, 1992, shall receive the payment rate in effect at the time of the sale or reorganization and any payment increase allowed under subdivision 14.

Sec. 22. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 14. [LIMITATIONS ON SALES OF NURSING FACILITIES.] (a) For rate periods beginning after June 30, 1992, a nursing facility's property-related payment rate as established under subdivision 13 shall be adjusted by either paragraph (a) or (b) for the sale of the nursing facility as provided in paragraphs (a) to (j).

(b) If the facility's rate under subdivision 13 prior to sale is greater than the facility's rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the facility's rate after sale shall be the greater of the facility's rate under subdivision 13 prior to sale and the facility's rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(c) If the facility's rate under subdivision 13 prior to sale is equal to or less than the facility's rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the facility's rate after sale shall be the facility's rate under subdivision 13 plus the difference between the facility's rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale and the facility's rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(d) For purposes of this subdivision, "sale" means the purchase of a nursing facility's capital assets with cash or debt. The term sale does not include any of the following transactions:

(1) a sale and leaseback to the same licensee that does not constitute a change in facility license;

(2) a transfer of an interest to a trust;

(3) gifts or other transfers for no consideration;

(4) a merger of two or more related organizations;

(5) a change in the legal form of doing business, other than a publicly held organization that becomes privately held or vice versa; and

(6) the addition of a new partner, owner, or shareholder who owns less than five percent of the nursing home or the issuance of stock.

(e) For purposes of this subdivision, "effective date of sale" means the latter of either the date on which legal title to the capital assets is transferred or the date on which closing for the sale occurred.

(f) The sale shall have the effect on the property-related rate provided in this subdivision effective on the first day of the month following the month in which the effective date of sale occurs.

(g) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (3) and (4), and subpart 7, items E and F, the commissioner shall limit the total allowable debt and related interest after sale to the sum of the following:

(1) the historical cost of capital assets as of the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the nursing facility's initial historical cost of constructing capital assets;

(2) the capital asset additions after deduction for capital asset deletions, not including depreciations; and

(3) one-half of the allowed inflation on the nursing facility's allowable capital assets. The commissioner shall compute the allowed inflation as described in paragraph (f).

(h) For purposes of computing the amount of allowed inflation, the commissioner must apply the following principles:

(1) the lesser of the Consumer Price Index for all urban consumers or the Dodge construction systems costs for nursing homes for any time periods during which both are available must be used;

(2) the amount of allowed inflation to be applied to the capital assets in paragraph (e), clauses (1) and (2), must be computed separately;

(3) the amount of allowed inflation must be determined on an annual basis, prorated on a monthly basis for partial years and if the initial month of use is not determinable for a capital asset, then one-half of that calendar year shall be used for purposes of prorating;

(4) the amount of allowed inflation to be applied to the capital assets in paragraph (e), clauses (1) and (2), must not exceed 500 percent of the total capital assets in any one of those clauses; and

(5) the allowed inflation must be computed starting with the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the date of the nursing facility's initial occupancy, and ending with the effective date of sale.

(i) If the historical cost of an asset is not readily available for the date of the facility's most recent previous sale or if there has been no previous sale for the date of the facility's initial occupancy, then the commissioner shall limit the debt and related interest to the indexed historical cost recognized by the Medicare intermediary after the sale.

(j) The limitations in paragraph (e) apply only to increases in debt resulting from sales occurring after June 30, 1992, and not to existing debt or

increases in debt not resulting from sales.

Sec. 23. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST REPORTING AND RATE CALCULATION.] For rate periods beginning after June 30, 1993, a nursing facility's capital repair and replacement rate shall be determined as provided in paragraphs (a) to (e).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of acquiring the following items, including cash payment for equity financing and principal and interest expense for debt financing, shall be reported in the capital repair and replacement cost category:

(1) wall coverings;

(2) paint;

(3) floor coverings;

(4) window coverings;

(5) roof repair;

(6) heating or cooling system repair or replacement;

(7) window repair or replacement;

(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and

(9) capitalized repair or replacement of capital assets not allowable under subdivision 16.

(b) To compute the capital repair and replacement rate, the lesser of the actual or allowable annual repair and replacement costs must be divided by actual resident days. The annual allowable capital repair and replacement costs shall not exceed \$150 per licensed bed. The excess of the actual capital repair and maintenance cost over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 2i, paragraph (b). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate capacity days. The capital repair and replacement rate must be added to the total payment rate determined under subdivision 13.

(c) For costs incurred using both equity and debt financing, the equity shall be allowed as a cost before allowance of the principal and interest on the remaining costs is allowed; however, such principal and interest may be carried over into succeeding cost reporting periods as provided in paragraph (b).

(d) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

(e) Costs otherwise allowable under this subdivision are allowable under either this subdivision or under subdivisions 16 and 17 if the costs are

incurred in connection with a project approved under the moratorium exception process in section 144A.073 or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of \$125,000 or ten percent of the most recent appraised value.

Sec. 24. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 16. [MAJOR ADDITIONS AND REPLACEMENTS; EQUITY INCENTIVE.] For rate periods beginning after June 30, 1993, new allowable costs added after June 30, 1992, in connection with a project approved under the moratorium exception process in section 144A.073 or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of \$125,000 or ten percent of the most recent appraised value shall be reimbursed under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section and shall receive an equity incentive factor to be added to their rental factor for application to the allowed equity portion of the new cost as provided in paragraphs (a) to (d).

(a) For costs described above, in addition to the property related payment under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, the allowable historical cost of the capital asset acquired, minus the allowable debt directly identified to that capital asset, must be multiplied by the equity incentive factor as described in paragraphs (b) and (c), and divided by the facility's occupancy factor under subdivision 3f, paragraph (c), and added to the facility's total property-related rate. The allowable historical cost and the allowable debt shall be adjusted annually as provided in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) The equity incentive factor shall be determined by multiplying the amount calculated in clause (1) times the amount calculated in clause (2):

(1) the difference between the rental factor and the lesser of two percentage points above the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation as published in the Wall Street Journal and in effect on the first day of the month the debt or cost is incurred, or 16 percent;

(2) the cubed quotient of the initial allowable debt in paragraph (a) divided by the initial historical cost in paragraph (a) subtracted from the number one.

(c) The payment resulting from application of the equity incentive factor shall be limited to the term of the allowable debt in paragraph (a), not greater than 20 years nor less than ten years. If no debt is incurred in acquiring the capital asset, the equity incentive factor shall be paid for ten years.

(d) The incremental increase in rate, as determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section resulting under this subdivision, shall be added to the rate determined under subdivision 13 and is effective on the first day of the month following the month in which the repair, replacement, or addition or moratorium exception project was completed. Adjustments under this subdivision are limited to one per 12-month period.

Sec. 25. Minnesota Statutes 1990, section 256B.431, is amended by

adding a subdivision to read:

Subd. 17. [SPECIAL PROVISIONS FOR MORATORIUM EXCEPTIONS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 3, for rate years beginning after June 30, 1992, a nursing facility that has completed a renovation, replacement, or upgrading project approved under the moratorium exception process in section 144A.073 shall be reimbursed for costs related to that project as provided in subdivisions 16, 18, and this subdivision.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (1) and (3), allowable debt shall include:

(1) debt related to the cost of purchasing or replacing movable equipment not to exceed six percent of the total historical cost of the project; and

(2) an increase in debt related to financing or refinancing costs, including costs related to points, loan origination fees, financing charges, legal fees, and title searches; and issuance costs including bond discounts, bond counsel, underwriter's counsel, corporate counsel, printing, and financial forecasts. Allowable debt related to items in this clause shall not exceed seven percent of the total historical cost of the project.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 7, item D, allowable interest shall include:

(1) interest on all allowable debt, including debt allowed under paragraph (b); and

(2) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(d) Debt for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(e) Notwithstanding subdivision 3f, paragraph (a), for rate years beginning after June 30, 1992, the replacement-costs-new per bed limit to be used in Minnesota Rules, part 9549.0060, subpart 4, item B, for a nursing facility that has completed a renovation, replacement, or upgrading project that has been approved under the moratorium exception process in section 144A.073, or that has completed an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of \$125,000 or ten percent of the most recent appraised value, must be \$47,500 per licensed bed in multiple-bed rooms and \$71,250 per licensed bed in a single-bed room. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a).

Sec. 26. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 18. [ESTABLISHING BASELINE APPRAISALS; UPDATING APPRAISALS, ADDITIONS, AND REPLACEMENTS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subparts 1 to 3, the appraised value, routine updating of the appraised value, and special reappraisals are subject to clauses (1) to (3).

(1) For the rate period beginning after June 30, 1993, the commissioner shall allow any nursing facility not choosing to use appraised values established under Minnesota Rules, part 9549.0060, as of June 30, 1991, or as established after June 30, 1991, and before July 1, 1993, under Minnesota

Rules, part 9549.0060, subpart 13, item G (special reappraisals), to establish a new appraised value using the segregated cost version of the replacement cost method.

The new appraisal must be conducted by one of the appraisal firms authorized by the commissioner of administration to conduct nursing home appraisals. To qualify for authorization, an appraisal firm must have actual experience utilizing the segregated cost method of appraisal within the last three years and must have actual experience appraising Minnesota nursing homes within the last three years. Any appraisal firm that applies for authorization and meets the qualifying criteria shall be authorized by the commissioner of administration to conduct nursing facility appraisals under this section.

Nursing facilities electing to establish a new appraised value shall notify the commissioner of human services in writing and select an appraisal firm before September 30, 1992, from the list of authorized nursing facility appraisal firms. The cost of the new appraisal shall be paid by the nursing facility and shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061. A nursing facility may appeal the determination of its appraised value under this subdivision pursuant to section 256B.50, subdivision 2.

(2) All appraisals and reappraisals conducted under Minnesota Rules, parts 9549.0010 to 9549.0080, must comply with this section.

(3) The incremental change in rate resulting from the redetermination of a facility's appraised value shall be added to the rate determined under subdivision 13 and is effective for rate periods beginning July 1, 1993.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 2, for rate years beginning after June 30, 1994, the commissioner shall routinely update the appraised value of all nursing facilities by adjusting each appraised value by the index provided in subdivision 3f, paragraph (a). The incremental increase in rate resulting from the annual adjustment as determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section shall be added to the facility's rate for each rate year. The adjustment under this paragraph shall also apply for purposes of subdivision 16.

(c) A nursing facility that makes a repair, addition, or replacement under subdivision 16, or repair, renovation, or upgrading under subdivision 17, shall have the nursing facility's appraised value increased by the total historical cost of the repair, addition, or replacement exclusive of the proceeds from disposals of capital assets or applicable credits such as public grants and insurance proceeds. The costs may be reported only after completion of the project and must be reported on a special cost report form provided by the commissioner. A facility submitting a special cost report shall have the depreciation for the nursing facility reduced by a percentage equal to the percentage increase in the appraised value resulting from the repair, addition, or replacement under this paragraph. The incremental increase in rate, determined under Minnesota Rules, part 9549.0080, and this section, resulting from the increased appraised value under this paragraph is effective on the first day of the month following the month in which the repair, addition, or replacement was completed.

Sec. 27. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 19. [REFINANCING INCENTIVE.] A nursing facility that refinances debt after May 30, 1992, in order to achieve a savings in annual interest expense payments shall receive as an incentive prior interest expense payments for the rate year in which refinancing occurs and for the three consecutive rate years following the rate year in which refinancing occurs. To calculate the annual interest expense, the aggregate interest expense over the remaining term of the refinanced debt shall be divided by the remaining years of the term of the refinanced debt. An increase in a nursing facility's debt resulting from refinancing that meets the conditions of this section shall be allowed, notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (6). The proceeds of refinancing may not be used for the purpose of withdrawing equity from the nursing facility.

Sec. 28. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 20. [TOTAL REPLACEMENT PROJECTS INVOLVING ADDITIONS TO EXISTING FACILITY.] (a) For rate years beginning after June 30, 1992, a nursing facility which, under the approval of the moratorium exception process in section 144A.073, completes a total replacement of another nursing facility through an addition onto its existing nursing facility shall have a property-related rate calculated as follows: the property-related rate shall be the sum of clauses (1) and (2) divided by the total number of licensed beds used in clauses (1) and (2);

(1) the current property-related rate of the existing nursing facility under subdivision 13 multiplied by the licensed beds of the existing facility;

(2) the property-related rate for the addition computed under subdivisions 16, 17, and 18 using the total historical cost relating to the addition, multiplied by the number of licensed beds approved for replacement under section 144A.073. In computing the incremental increase, the provisions of Minnesota Rules, part 9549.0060, subpart 14, and this section shall be applied to the addition as a newly constructed facility.

(b) For rate years beginning after June 30, 1992, the property-related rate for a facility approved for total replacement under the moratorium exception process in section 144A.073, shall have its property-related rate under subdivision 13 recalculated using the greater of actual resident days or 80 percent of capacity days. This rate shall apply until the nursing facility is replaced or until the moratorium exception authority lapses, whichever is sooner.

Sec. 29. Minnesota Statutes 1990, section 256B.48, subdivision 1b, is amended to read:

Subd. 1b. [EXCEPTION.] Notwithstanding any agreement between a nursing home and the department of human services or the provisions of this section or section 256B.411, other than subdivision 1a, the commissioner may authorize continued medical assistance payments to a nursing home which ceased intake of medical assistance recipients prior to July 1, 1983, and which charges private paying residents rates that exceed those permitted by subdivision 1, paragraph (a), for (i) residents who resided in the nursing home before July 1, 1983, or (ii) residents for whom the commissioner or any predecessors of the commissioner granted a permanent individual waiver prior to October 1, 1983. Nursing homes seeking continued medical assistance payments under this subdivision shall make the reports required under subdivision 2, except that on or after December 31,

1985, the financial statements required need not be audited by or contain the opinion of a certified public accountant or licensed public accountant, but need only be reviewed by a certified public accountant or licensed public accountant. In the event that the state is determined by the federal government to be no longer eligible for the federal share of medical assistance payments made to a nursing home under this subdivision, the commissioner may cease medical assistance payments, under this subdivision, to that nursing home. *Between October 1, 1992, and July 1, 1993, a facility governed by this subdivision may elect to resume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in subdivision 1, paragraph (a), and all other requirements established in law or rule, and to resume intake of new medical assistance recipients.*

Sec. 30. Minnesota Statutes 1990, section 256B.48, is amended by adding a subdivision to read:

Subd. 9. [MEDICAL ASSISTANCE PARTICIPATION FOR CERTAIN FACILITIES.] An agreement entered into between a nursing facility and the commissioner of human services that limits the number of residents that will be reimbursed under the medical assistance program as a condition of allowing additional beds to be certified under section 144A.071, subdivision 3a, terminates effective October 1, 1992.

Sec. 31. Minnesota Statutes 1991 Supplement, section 256B.74, subdivision 1, is amended to read:

~~Subdivision 1. [HOSPITAL REIMBURSEMENT.] (a) Effective for admissions occurring on or after July 1, 1991, the commissioner shall make an indigent care payment to Minnesota and local trade area hospitals except facilities of the federal Indian Health Service and regional treatment centers; in addition to all other payment to hospitals for inpatient services. The indigent care payment shall be ten percent of the amount of medical assistance payments issued to that provider for inpatient services in a given calendar quarter or month, excluding indigent care payments paid under this section, divided by the number of related admissions, or patient days if applicable, and multiplying the result by 111 percent. The indigent care payment is added to each admission, or patient day if applicable, occurring (1) in the second calendar quarter beginning after the quarter on which the September 15, 1991, indigent care payment amount is based and (2) in the month beginning six months after the month on which the subsequent monthly indigent care payment amount is based. Medicare crossovers are excluded from indigent care payments and from the payments and admissions on which the indigent care payment is based. The commissioner may issue indigent care payments as disproportionate population adjustments for eligible hospitals.~~

~~(b) Effective for services rendered on or after July 1, 1991, the commissioner shall reimburse outpatient hospital facility fees at 80 percent of calendar year 1990 submitted charges, not to exceed the Medicare upper payment limit. Services excepted from this payment methodology are emergency room facility fees, clinic facility fees, and those services for which there is a federal maximum allowable payment.~~

Sec. 32. Minnesota Statutes 1991 Supplement, section 256B.74, subdivision 3, is amended to read:

~~Subd. 3. [NURSING FACILITY REIMBURSEMENT.] For rate years beginning on or after July 1, 1991, the commissioner shall reimburse nursing~~

facilities participating in the medical assistance program as follows:

(1) a capital allowance of \$1.44 per resident day shall be paid. For a licensed provider with an operating lease on the nursing facility, the capital equipment allowance shall not be the property of the lessor but shall be the property of the licensed provider for the duration of the operating lease or any renewal or extension of the operating lease; and

(2) the maximum efficiency incentive per diem payment established annually under section 256B.431, subdivision 2b, paragraph (d), shall be increased to \$2.10 effective July 1, 1991, and \$2.20 effective July 1, 1992, and shall be indexed for inflation annually beginning July 1, 1993, using Data Resources, Inc., forecast for change in the nursing home market basket.

Sec. 33. [HOSPITAL OUTPATIENT REIMBURSEMENT.]

For services rendered on or after October 1, 1992, the commissioner of human services shall increase hospital outpatient rates by 25 percent over the rates in effect on September 30, 1992, provided that no rate shall exceed the upper payment limit established by Medicare.

Sec. 34. [PHYSICIAN AND DENTAL REIMBURSEMENT.]

The reimbursement increases provided in Minnesota Statutes, section 256B.74, subdivisions 2 and 5, shall not be implemented. Effective October 1, 1992, the commissioner shall increase payments for physician services by 25 percent above the rate in effect on June 30, 1992, and shall increase payments for dental services by 25 percent above the rate in effect on June 30, 1992.

Sec. 35. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in sections 33 and 34.

Sec. 36. [COMMISSIONER'S DUTIES.]

The commissioner of human services shall report to the legislature quarterly on the first day of January, April, July, and October regarding the provider surcharge program. The report shall include information on total billings, total collections, and administrative expenditures. The report on January 1, 1993, shall include information on all surcharge billings, collections, federal matching payments received, efforts to collect unpaid amounts, and administrative costs pertaining to the surcharge program in effect from July 1, 1991, to September 30, 1992. The commissioner shall report when submitting the budget forecast regarding any changes in the amount of the nursing home surcharge needed to ensure that collections continue at the level anticipated for fiscal year 1993. The commissioner shall continue to track and report separately any provider reimbursement increases or other payments authorized in Laws 1991, chapter 292, article 4, and under sections 1 to 39. The commissioner shall request the Minnesota congressional delegation to support a change in federal law that would prohibit federal disallowances for any state that makes a good faith effort to comply with Public Law Number 91-234 by enacting conforming legislation prior to the issuance of federal implementing regulations.

Sec. 37. [NURSING FACILITY PLANT STUDY.]

The commissioner of health shall study the physical condition of all

Minnesota nursing facilities. This study shall include an individual assessment of each facility by one of the architectural firms authorized by the commissioner of health to conduct assessments. To qualify for authorization, an architectural firm must have actual experience and prior involvement with nursing home construction or remodeling projects. Any appraisal firm that applies for authorization and meets the qualifying criteria shall receive the commissioner's authorization. Each nursing facility shall select an architectural firm from a list of authorized firms to conduct the individual facility assessment. The cost of the assessment shall be paid by the nursing facility and shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061. Prior to beginning the individual assessments, the commissioner shall convene a special task force to develop the standards and criteria by which the individual assessments must be conducted.

Sec. 38. [APPROPRIATION.]

(a) \$ is appropriated in fiscal year 1993 from the general fund to the commissioner of human services to pay related costs and expenses.

(b) \$ is appropriated in fiscal year 1993 from the general fund to the commissioner of health to pay related costs and expenses for the nursing facility plant study.

Sec. 39. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256.969, subdivision 7; and 256B.74, subdivisions 8 and 9; and Laws 1991, chapter 292, article 4, section 77, are repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 1 to 39 are effective October 1, 1992."

Delete the title and insert:

"A bill for an act relating to human services; expanding provider surcharges to include providers not participating in the medical assistance program; modifying provider reimbursement rates; appropriating money; amending Minnesota Statutes 1990, sections 147.02, by adding a subdivision; 256.9695, subdivision 3; 256B.19, by adding a subdivision; 256B.431, subdivision 2i, and by adding subdivisions; and 256B.48, subdivision 1b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144A.071, subdivisions 3 and 3a; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.969, subdivisions 1, 9, and 20; 256B.431, subdivision 3f; and 256B.74, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; Laws 1991, chapter 292, article 4, section 77."

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. 394: A bill for an act relating to occupations and professions; requiring the licensing of interior designers; defining the practice of interior design; providing for administration of licensing requirements; changing the

name of the board of architecture, engineering, land surveying, and landscape architecture; appropriating money; amending Minnesota Statutes 1990, sections 116J.70, subdivision 2a; 319A.02, subdivision 2; 326.02, subdivisions 1, 5, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.04; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. [LICENSE; EXCEPTIONS.] “Business license” or “license” does not include the following:

(1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;

(3) any license required to practice the following occupation regulated by the following sections:

- (a) abstracters regulated pursuant to chapter 386;
- (b) accountants regulated pursuant to chapter 326;
- (c) adjusters regulated pursuant to chapter 72B;
- (d) architects regulated pursuant to chapter 326;
- (e) assessors regulated pursuant to chapter 270;
- (f) attorneys regulated pursuant to chapter 481;
- (g) auctioneers regulated pursuant to chapter 330;
- (h) barbers regulated pursuant to chapter 154;
- (i) beauticians regulated pursuant to chapter 155A;
- (j) boiler operators regulated pursuant to chapter 183;
- (k) chiropractors regulated pursuant to chapter 148;
- (l) collection agencies regulated pursuant to chapter 332;
- (m) cosmetologists regulated pursuant to chapter 155A;
- (n) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (o) detectives regulated pursuant to chapter 326;
- (p) electricians regulated pursuant to chapter 326;
- (q) embalmers regulated pursuant to chapter 149;
- (r) engineers regulated pursuant to chapter 326;
- (s) insurance brokers and salespersons regulated pursuant to chapter 60A;

- (t) *certified interior designers regulated pursuant to chapter 326;*
- (u) *midwives regulated pursuant to chapter 148;*
- ~~(v)~~ (v) *morticians regulated pursuant to chapter 149;*
- ~~(w)~~ (w) *nursing home administrators regulated pursuant to chapter 144A;*
- ~~(x)~~ (x) *optometrists regulated pursuant to chapter 148;*
- ~~(y)~~ (y) *osteopathic physicians regulated pursuant to chapter 147;*
- ~~(z)~~ (z) *pharmacists regulated pursuant to chapter 151;*
- ~~(aa)~~ (aa) *physical therapists regulated pursuant to chapter 148;*
- ~~(ab)~~ (bb) *physicians and surgeons regulated pursuant to chapter 147;*
- ~~(ac)~~ (cc) *plumbers regulated pursuant to chapter 326;*
- ~~(ad)~~ (dd) *podiatrists regulated pursuant to chapter 153;*
- ~~(ae)~~ (ee) *practical nurses regulated pursuant to chapter 148;*
- ~~(af)~~ (ff) *professional fundraisers regulated pursuant to chapter 309;*
- ~~(ag)~~ (gg) *psychologists regulated pursuant to chapter 148;*
- ~~(ah)~~ (hh) *real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;*
- ~~(ai)~~ (ii) *registered nurses regulated pursuant to chapter 148;*
- ~~(aj)~~ (jj) *securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;*
- ~~(ak)~~ (kk) *steamfitters regulated pursuant to chapter 326;*
- ~~(al)~~ (ll) *teachers and supervisory and support personnel regulated pursuant to chapter 125;*
- ~~(am)~~ (mm) *veterinarians regulated pursuant to chapter 156;*
- ~~(an)~~ (nn) *watchmakers regulated pursuant to chapter 326;*
- ~~(ao)~~ (oo) *water conditioning contractors and installers regulated pursuant to chapter 326;*
- ~~(ap)~~ (pp) *water well contractors regulated pursuant to chapter 156A;*
- ~~(aq)~~ (qq) *water and waste treatment operators regulated pursuant to chapter 115;*
- ~~(ar)~~ (rr) *motor carriers regulated pursuant to chapter 221;*
- ~~(as)~~ (ss) *professional corporations regulated pursuant to chapter 319A;*
- (4) *any driver's license required pursuant to chapter 171;*
- (5) *any aircraft license required pursuant to chapter 360;*
- (6) *any watercraft license required pursuant to chapter 86B;*
- (7) *any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and*
- (8) *any pollution control rule or standard established by the pollution*

control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 2. Minnesota Statutes 1990, section 319A.02, subdivision 2, is amended to read:

Subd. 2. "Professional service" means personal service rendered by a professional pursuant to a license or certificate issued by the state of Minnesota to practice medicine and surgery pursuant to sections 147.01 to 147.29, chiropractic pursuant to sections 148.01 to 148.105, registered nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, podiatric medicine pursuant to Laws 1987, chapter 108, sections 1 to 16, veterinary medicine pursuant to sections 156.001 to 156.14, architecture, engineering, surveying, and landscape architecture, and certified interior design pursuant to sections 326.02 to 326.15, accountancy pursuant to sections 326.17 to 326.23, or law pursuant to sections 481.01 to 481.17, or pursuant to a license or certificate issued by another state pursuant to similar laws.

Sec. 3. Minnesota Statutes 1990, section 326.02, subdivision 1, is amended to read:

Subdivision 1. [~~REGISTRATION LICENSURE OR CERTIFICATION MANDATORY.~~] In order to safeguard life, health, and property, and to promote the public welfare, any person in either public or private capacity practicing, or offering to practice, architecture, professional engineering, land surveying, or landscape architecture, or using the title certified interior designer in this state, either as an individual, a copartner, or as agent of another, shall be ~~registered~~ licensed or certified as hereinafter provided. It shall be unlawful for any person to practice, or to offer to practice, in this state, architecture, professional engineering, land surveying, or landscape architecture, or to use the title interior designer, or to solicit or to contract to furnish work within the terms of sections 326.02 to 326.15, or to use in connection with the person's name, or to otherwise assume, use or advertise any title or description tending to convey the impression that the person is an architect, professional engineer (hereinafter called engineer), land surveyor or landscape architect, or certified interior designer, unless such person is qualified by ~~registration~~ licensure or certification under sections 326.02 to 326.15.

Sec. 4. Minnesota Statutes 1990, section 326.02, is amended by adding a subdivision to read:

Subd. 4b. [CERTIFIED INTERIOR DESIGNER.] (a) For the purposes of sections 326.02 to 326.15, "certified interior designer" means a person who is certified under section 326.10, to use the title certified interior designer and who provides services in connection with the design of public interior spaces, including preparation of documents relative to non-load-bearing interior construction, space planning, finish materials, and furnishings.

(b) No person may use the title certified interior designer unless that person has been certified as an interior designer or has been exempted by the board. Registered architects may be certified without additional testing. Persons represent themselves to the public as certified interior designers if

they use a title that incorporates the words certified interior designer.

(c) Nothing in this section prohibits the use of the title interior designer or the term interior design by persons not certified by the board.

(d) Nothing in this section restricts persons not certified by the board from providing interior design services and from saying that they provide such services, as long as they do not use the title certified interior designer.

(e) Nothing in this section authorizes certified interior designers to engage in the practice of architecture as defined in subdivision 2 or the practice of engineering as defined in subdivision 3.

Sec. 5. Minnesota Statutes 1990, section 326.02, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] The provisions of sections 326.02 to 326.15 shall not apply to the preparation of plans and specifications for the erection, enlargement, or alteration of any building or other structure by any person, for that person's exclusive occupancy or use, unless such occupancy or use involves the public health or safety or the health or safety of the employees of said person, or of the buildings listed in section 326.03, subdivision 2, nor to any detailed or shop plans required to be furnished by a contractor to a registered engineer, landscape architect, ~~or architect~~, or *certified interior designer*, nor to any standardized manufactured product, nor to any construction superintendent supervising the execution of work designed by an architect, landscape architect, ~~or engineer registered~~, or *certified interior designer licensed or certified* in accordance with section 326.03, nor to the planning for and supervision of the construction and installation of work by an electrical contractor or master plumber as defined in and licensed pursuant to this chapter, where such work is within the scope of such licensed activity and not within the practice of professional engineering, or architecture, or where the person does not claim to be a *certified interior designer* as defined in section 326.02, ~~subdivisions subdivision 2 and, 3, or 4b.~~

Sec. 6. Minnesota Statutes 1990, section 326.03, subdivision 1, is amended to read:

Subdivision 1. No person, except an architect, engineer, land surveyor ~~or~~, landscape architect, or *certified interior designer*, licensed or *certified* as provided for in sections 326.02 to 326.15 shall practice architecture, professional engineering, land surveying or landscape architecture, or use the title *certified interior designer*, respectively, in the preparation of plans, specifications, reports, plats or other architectural, engineering, land surveying ~~or~~, landscape architectural, or *interior design* documents, or in the observation of architectural, engineering, land surveying ~~or~~, landscape architectural, or *interior design* projects. In preparation of such documents, reasonable care shall be given to compliance with applicable laws, ordinances, and building codes relating to design.

Sec. 7. Minnesota Statutes 1990, section 326.031, is amended to read:

326.031 [SPECIFICATIONS FOR PUBLIC FACILITIES, USE OF BRAND NAMES.]

Any engineer, architect, *certified interior designer*, or other person preparing specifications with respect to a contract for the construction of any facility for the state, or any agency or department thereof, or for any county,

city, town, or school district, shall at the time of submitting such specifications to the governing body of the organization requesting the specifications, submit to such body, in writing, a list showing each item in the specifications which has been specified by brand name, unless such specifications allow for the consideration of an equal.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.04, is amended to read:

326.04 [BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING AND, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN.]

To carry out the provisions of sections 326.02 to 326.15 there is hereby created a board of architecture, engineering, land surveying and, landscape architecture, and interior design (hereinafter called the board) consisting of ~~17~~ 19 members, who shall be appointed by the governor. Three members shall be licensed architects, five members shall be licensed engineers, one member shall be a licensed landscape architect, two members shall be licensed land surveyors, *one member shall be a certified interior designer*, and ~~six~~ seven members shall be public members. Not more than one member of said board shall be from the same branch of the profession of engineering. The first ~~landscape architect~~ *certified interior designer* member and *seventh public member* shall be appointed as soon as possible and no later than 60 days after August 1, ~~1975~~ 1992, and shall serve for a term to end on January 1, ~~1977~~ 1994. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 9. Minnesota Statutes 1990, section 326.05, is amended to read:

326.05 [QUALIFICATIONS OF BOARD MEMBERS.]

Each member of the board shall be a resident of this state at the time of appointment. Each member except the public members shall have been engaged in the practice of the relevant profession for at least ten years and shall have been in responsible charge of work for at least five years. Each such member shall be a member in good standing of a recognized society of architects, engineers, land surveyors ~~or~~, landscape architects, *or interior designers*; and, except as provided in section 326.06, shall be a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, *or certified interior designer*. *The certified interior design member must have passed the National Council for Interior Design Qualifications test.*

Sec. 10. Minnesota Statutes 1990, section 326.06, is amended to read:

326.06 [GENERAL POWERS AND DUTIES OF BOARD.]

Each member of the board shall receive a certificate of appointment from the governor, and, before beginning a term of office, shall file with the secretary of state the constitutional oath of office. The board shall adopt and have an official seal, which shall be affixed to all licenses granted; shall make all rules, not inconsistent with law, needed in performing its duties; and shall fix standards for determining the qualifications of applicants for certificates, which shall not exceed the requirements contained in the

curriculum of a recognized school of architecture, landscape architecture ~~or~~, engineering, *or interior design*. The board shall make rules to define classes of buildings with respect to which persons performing services described in section 326.03, subdivision 2, may be exempted from the provisions of sections 326.02 to 326.15, by a finding of no probable risk to life, health, property or public welfare.

Sec. 11. Minnesota Statutes 1990, section 326.07, is amended to read:
326.07 [BOARD, MEETINGS OF OFFICERS, QUORUM.]

The board shall hold meetings at such times as the bylaws of the board may provide. Notice of all meetings shall be given in such manner as the bylaws may provide. The board shall elect annually from its members a chair, a vice-chair, a secretary and a treasurer. A quorum of the board shall consist of not less than ~~nine~~ *ten* members, of whom ~~three~~ *four* shall be architects ~~or~~, landscape architects ~~or~~, land surveyors, *or certified interior designers*, three engineers, and three public members.

Sec. 12. Minnesota Statutes 1990, section 326.08, subdivision 2, is amended to read:

Subd. 2. Any member of the board, the executive secretary of the board, or the attorney for the board may be authorized by the board to attend any architectural, engineering, land surveying ~~or~~, landscape architectural, *or interior design* conference or meeting held outside of this state, the major purpose of which is the consideration of problems directly associated with the registration or licensing of architects, professional engineers, land surveyors ~~or~~, landscape architects, *or certified interior designers*.

Sec. 13. Minnesota Statutes 1990, section 326.09, is amended to read:
326.09 [RECORDS OF BOARD.]

The board shall keep a record of its proceedings and a register of all applicants for licensing, showing for each the date of application, name, age, educational and other qualifications, place of business, and the place of residence, whether or not an examination was required and whether the applicant was rejected or a license granted, and the date of such action. The books and register of the board shall be prima facie evidence of all matters recorded therein. A roster showing the names and places of business or of residence of all licensed architects, engineers, land surveyors ~~and~~, landscape architects, *and certified interior designers* shall be prepared by the executive secretary of the board during the month of July, of each even numbered year. Roster supplements listing newly licensed persons shall be published semiannually between publications of the biennial roster. Rosters may be printed out of the funds of the board, as provided in section 326.08.

Sec. 14. Minnesota Statutes 1990, section 326.10, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] The board shall on application therefor on a prescribed form, and upon payment of a fee prescribed by rule of the board, issue a license *or certificate* as an architect, engineer, land surveyor ~~or~~, landscape architect, *or certified interior designer*. A separate fee shall be paid for each profession licensed.

(1) To any person over 25 years of age, who is of good moral character and repute, and who has the experience and educational qualifications which the board by rule may prescribe.

(2) To any person who holds an unexpired certificate of registration or license issued by proper authority in the District of Columbia, any state or territory of the United States, or any foreign country, in which the requirements for registration or licensure of architects, engineers, land surveyors ~~or~~ landscape architects, *or certified interior designers*, respectively, at the time of registration or licensure in the other jurisdiction, were equal, in the opinion of the board, to those fixed by the board and by the laws of this state, and in which similar privileges are extended to the holders of certificates of registration or licensure issued by this state. The board may require such person to submit a certificate of technical qualification from the National Council of Architectural Registration Boards in the case of an architect, from the National Council of Engineering Examiners in the case of an engineer, ~~and~~ from the National Council of Landscape Architects Registration Board in the case of a landscape architect, *and from the National Council for Interior Design Qualifications in the case of a certified interior designer.*

Sec. 15. Minnesota Statutes 1990, section 326.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION.] The board may subject any applicant for licensure to such examinations as may be deemed necessary to establish qualifications.

In determining the qualifications in such cases of applicants for licensure as architects, a majority vote of the architect members of the board only shall be required; in determining the qualifications in such cases of applicants for licensure as engineers, a majority vote of the engineer members of the board only, shall be required; ~~and~~ in determining the qualifications of applicants for registration as land surveyors, the affirmative vote of the land surveyor member and of one engineer of the board only, shall be required; ~~and~~ in determining the qualifications of applicants for licensure as landscape architects, the affirmative vote of the landscape architect member of the board and of one architect member or one civil engineer member of the board only, shall be required; *and in determining the qualifications of applicants for certification as certified interior designers, the affirmative vote of the interior designer member of the board and of one architect or engineer member of the board only is required.*

Sec. 16. Minnesota Statutes 1990, section 326.10, subdivision 2a, is amended to read:

Subd. 2a. [NEEDS OF PHYSICALLY DISABLED, INCLUSION IN EXAMINATION.] Examinations for architect, civil structural engineer, ~~and~~ landscape architect, *and certified interior designer* shall include questions which require the applicant to demonstrate knowledge of the design needs of people with physical disabilities and of the relevant statutes and codes. The questions shall be developed by the board in consultation with the department of administration.

Sec. 17. Minnesota Statutes 1990, section 326.11, subdivision 1, is amended to read:

Subdivision 1. [REVOCATION OR SUSPENSION.] The board shall have the power to revoke or suspend the license *or certificate* of any architect, engineer, land surveyor ~~or~~ landscape architect, *or certified interior designer*, who is found guilty by the board of any fraud or deceit in obtaining a license *or certificate*, or of attaching the licensee's *or certificate holder's* seal or

signature to any plan, specification, report, plat, or other architectural, engineering, land surveying ~~or~~, landscape architectural, *or interior design* document not prepared by the person signing or sealing it or under that person's direct supervision, or of gross negligence, incompetency, or misconduct in the practice of architecture, engineering, land surveying ~~or~~, landscape architecture, *or interior design*, or upon conviction of any violation of sections 326.02 to 326.15 or amendments thereof, or of any crime involving moral turpitude or upon adjudication of insanity or incompetency.

Sec. 18. Minnesota Statutes 1990, section 326.12, is amended to read:
326.12 [LICENSE AS EVIDENCE; SEAL.]

Subdivision 1. [JUDICIAL PROOF.] The issuance of a license *or certificate* by the board shall be evidence that the person named therein is entitled to all the rights and privileges of a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, *or certified interior designer* while the license *or certificate* remains unrevoked or has not expired or has not been suspended.

Subd. 2. [SEAL.] Each licensee *or certificate holder* may, upon registration, obtain a seal of a design approved by the board, bearing the licensee's *or certificate holder's* name and the legend "licensed architect," "licensed professional engineer," "licensed land surveyor," ~~or~~ "licensed landscape architect," *or "certified interior designer."* Plans, specifications, plats, reports, and other documents prepared by a licensee *or certificate holder* may be stamped with the seal during the life of the license *or certificate*. A rubber stamp facsimile thereof may be used in lieu of the seal on tracings from which prints are to be made or on papers which would be damaged by the regular seal. It shall be unlawful for any one to stamp or seal any document with the stamp or seal after the license of the registrant named thereon has expired, been revoked or suspended, unless said license *or certificate* shall have been renewed or reissued.

Subd. 3. [CERTIFIED SIGNATURE.] Each plan, specification, plat, report, or other document which *under* sections 326.02 to 326.15 ~~require~~ ~~be~~ *is prepared and submitted to a building official* by a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, *or certified interior designer* shall *be required to bear only* the signature of the *licensed or certified* person preparing it, or the signature of the *licensed or certified* person under whose direct supervision it was prepared. Each signature shall be accompanied by a certification that the signer is licensed under sections 326.02 to 326.15, by the person's license number, and by the date on which the signature was affixed. The provisions of this paragraph shall not apply to documents of an intraoffice or intracompany nature.

Sec. 19. Minnesota Statutes 1990, section 326.13, is amended to read:
326.13 [PRACTICE EXEMPT.]

Practice of architecture, engineering, *landscape architecture* or land surveying, *or use of the title certified interior designer* in this state prior to licensure by the board shall be permitted under the following conditions and limitations:

(1) By any person or firm not a resident of and having no established place of business in this state, or any person or firm resident in this state, but whose arrival in the state is recent; provided, however, such person or a person connected with such firm:

(a) is registered or licensed and qualified to practice such profession in a state or country to which the board grants registration or licensure by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2); and

(b) shall have filed an application for licensure as an architect ~~or~~, an engineer, *or a certified interior designer* shall have paid the fee provided for in section 326.10, and shall have been notified by the board that the applicant meets the requirements for licensure *or certification* in this state and is entitled to receive a license *or certificate*;

(c) notwithstanding the provisions of paragraph (b) and prior to the notification provided for therein, an applicant who meets the requirements of paragraph (a) shall be permitted to practice in this state provided that such practice is limited solely to solicitation of work within the terms of sections 326.02 to 326.15;

(2) Practice as an architect, an engineer, a land surveyor or a landscape architect, *or use of the title certified interior designer* by any person not a resident of, and having no established place of business in, this state, as a consulting associate of an architect, an engineer, a land surveyor or a landscape architect, *or use of the title certified interior designer* licensed *or certified* under the provisions of sections 326.02 to 326.15; provided, the nonresident is licensed *or certified* and qualified to practice the profession in a state or country to which the board grants licensure *or certification* by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2);

(3) Practice as an architect, an engineer, a land surveyor or a landscape architect, *or use of the title certified interior designer* solely as an officer or employee of the United States.

Sec. 20. Minnesota Statutes 1990, section 326.14, is amended to read:

326.14 [CORPORATIONS AND PARTNERSHIPS AUTHORIZED.]

A corporation, partnership or other firm may engage in work of an architectural or engineering character, in land surveying or in landscape architecture, *or use the title of certified interior designer* in this state, provided the person or persons connected with such corporation, partnership or other firm in responsible charge of such work is or are licensed *or certified* as herein required for the practice of architecture, engineering, land surveying and landscape architecture, *and use of the title of certified interior designer*.

Sec. 21. [EXISTING INTERIOR DESIGNERS.]

Persons who on July 1, 1992, are in the business of interior design and who have filed a certification application with the board by September 1, 1993, shall be allowed to continue in that business and use the title certified interior designer as if certified under this act until final action is taken by the board on their application.

Sec. 22. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall, in Minnesota Statutes and Minnesota Rules, change the words "board of architecture, engineering, land surveying, and landscape architecture" or similar words to "board of architecture, engineering, land surveying, landscape architecture, and interior design" or similar words."

Delete the title and insert:

"A bill for an act relating to occupations and professions: requiring the certification of interior designers; defining certified interior designer; providing for administration of certification requirements; changing the name of the board of architecture, engineering, land surveying, and landscape architecture; amending Minnesota Statutes 1990, sections 116J.70, subdivision 2a; 319A.02, subdivision 2; 326.02, subdivisions 1, 5, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14; Minnesota Statutes 1991 Supplement, section 326.04."

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. 2017: A bill for an act relating to utilities; providing for protection of certain nonpublic data submitted to public utilities commission by telephone companies; clarifying authority of commission to reinstate original rate for a telephone service subject to emerging competition on finding proposed rate is below incremental cost or is not just and reasonable; requiring commission to make final decision within six months on rate increase of telephone service subject to effective competition; amending Minnesota Statutes 1990, section 237.60, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 237.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 216D.01, is amended by adding a subdivision to read:

Subd. 1b. [BOUNDARY SURVEY.] "Boundary survey" means a survey made to establish or to reestablish a boundary line on the ground or to obtain data for preparing a map or plat showing boundary lines.

Sec. 2. Minnesota Statutes 1991 Supplement, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch;

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, trees, and shrubs, unless any of these

activities disturbs the soil to a depth of 18 inches or more: *or*

(6) landscaping or gardening unless one of the activities disturbs the soil to a depth of 12 inches or more; ~~or~~

~~(7) installation of real estate "For Sale" signs, unless the installation disturbs the soil to a depth of 12 inches or more.~~

Sec. 3. Minnesota Statutes 1990, section 216D.01, is amended by adding a subdivision to read:

Subd. 6a. [LAND SURVEYOR.] "Land surveyor" means a person licensed to practice land surveying under sections 326.02 to 326.15.

Sec. 4. Minnesota Statutes 1990, section 216D.01, subdivision 8, is amended to read:

*Subd. 8. [NOTIFICATION CENTER.] "Notification center" means a center that receives notice from excavators of planned excavation *or other requests for location* and transmits this notice to participating operators.*

Sec. 5. Minnesota Statutes 1990, section 216D.04, is amended to read:

216D.04 [EXCAVATION.]

Subdivision 1. [NOTICE OF EXCAVATION REQUIRED; CONTENTS.]

(a) Except in an emergency, an excavator *or land surveyor* shall contact the notification center and provide an excavation *or location* notice at least 48 hours before beginning any excavation *or boundary survey*, excluding Saturdays, Sundays, and holidays. An excavation *or boundary survey* begins, for purposes of this requirement, the first time excavation *or a boundary survey* occurs in an area that was not previously identified by the excavator *or land surveyor* in an excavation *or boundary survey* notice.

(b) The excavation *or boundary survey* notice may be oral or written, and must contain the following information:

(1) the name of the individual providing the excavation *or boundary survey* notice;

(2) the precise location of the proposed area of excavation *or boundary survey*;

(3) the name, address, and telephone number of the excavator *or land surveyor* or excavator's *or land surveyor's* company;

(4) the excavator's *or land surveyor's* field telephone number, if one is available;

(5) the type and the extent of the proposed excavation *or boundary survey* work;

(6) whether or not the discharge of explosives is anticipated; and

(7) the date and time when excavation *or boundary survey* is to commence.

*Subd. 2. [DUTIES OF NOTIFICATION CENTER.] The notification center shall assign an inquiry identification number to each excavation *or location* notice and retain a record of all excavation *or location* notices received for at least six years. The center shall immediately transmit the information contained in an excavation *or location* notice to every operator that has an underground facility in the area of the proposed excavation *or boundary survey*.*

Subd. 3. [LOCATING UNDERGROUND FACILITIES.] (a) An operator shall, within 48 hours after receiving an excavation notice *or within 96 hours after receiving a location notice* from the center, excluding Saturdays, Sundays, and holidays, unless otherwise agreed to between the excavator *or land surveyor* and operator, locate and mark or otherwise provide the approximate horizontal location of the underground facilities of the operator, without cost to the excavator *or land surveyor*. The excavator *or land surveyor* shall determine the precise location of the underground facility, without damage, before excavating within two feet of the marked location of the underground facility.

(b) For the purpose of this section, the approximate horizontal location of the underground facilities is a strip of land two feet on either side of the underground facilities.

(c) Markers used to designate the approximate location of underground facilities must follow the current color code standard used by the American Public Works Association.

(d) If the operator cannot complete marking of the excavation *or boundary survey* area before the excavation *or boundary survey* commencement time stated in the excavation *or location* notice, the operator shall promptly contact the excavator *or land surveyor*. If the excavator *or land surveyor* postpones the excavation *or boundary survey* commencement time stated in the excavation *or location* notice by more than 48 hours, or cancels the excavation *or boundary survey*, the excavator *or land surveyor* shall notify the notification center.

Sec. 6. [237.115] [DISCUSSION OF INFORMATION SUBJECT TO A PROTECTIVE ORDER.]

In any meeting of the commission during which information that is subject to a protective order is discussed, the commission shall employ the procedures of section 14.60 to close to all persons who are not authorized to obtain the information under the protective order that portion of the meeting during which the information will be discussed and take other appropriate measures to ensure that the data is not disclosed to persons who are not authorized to obtain the information under the protective order.

Sec. 7. Minnesota Statutes 1990, section 237.60, subdivision 2, is amended to read:

Subd. 2. [EMERGING COMPETITION.] (a) A company may decrease the rate for a service subject to emerging competition that is listed in the price list, effective ten days after filing a new price list with the commission and the department, along with an incremental cost study demonstrating that the ~~proposed~~ new price is above incremental cost. The commission shall prevent a proposed price reduction from going into effect *or prospectively reinstate the original rate if the reduction has gone into effect* if, after receiving a complaint or on its own motion, under section 237.081, the commission finds that the ~~proposed~~ new rate is below incremental cost or that the ~~proposed~~ new rate is not just and reasonable.

(b) A company may increase the rate for a service subject to emerging competition that is listed in the price list effective 30 days after notice is given to affected customers, the commission, and the department. The notice and new price list filing to the commission and the department for a rate increase must include an incremental cost study demonstrating that the proposed price is above incremental cost. The department shall investigate

an increase in rates for services subject to emerging competition, and report its findings to the commission within 30 days of the filing. The commission may, within 60 days after the date of the filing, order that the rate increase is interim in nature and subject to refund. If interim rates are not ordered, the rate increase is not refundable. If a rate is subject to refund, the commission, after a contested case hearing or an expedited hearing under section 237.61 ~~if there are no material facts in dispute~~, must make a final decision regarding the propriety of the rate increase within ~~ten~~ six months of the date the price change was filed, *except that if a contested case hearing before an administrative law judge is required the commission shall make a final decision within ten months of the date the price change was filed*. If the commission does not do so, the price change is deemed approved.

(c) If language describing a rate, term, or condition of service in a price list is changed without substantially altering the application of the price list, the change may take effect upon one-day notice to the commission.

(d) If a term or condition of service in a price list is changed in a way that results in a substantial change in the application of the price list, but the price is not changed, the change in the price list is effective at the same time as a price decrease under paragraph (a).

(e) If a new pricing plan is proposed for a service that is currently offered by a telephone company, the change in the price list is subject to the same schedules governing a price increase under paragraph (b). For purposes of this paragraph, a new pricing plan is a proposal that bundles rate elements for a service, alters the definition of the rate elements for a service, or includes increases for some rate elements and decreases for other rate elements.

(f) A telephone company may offer a new service to its customers ten days after it files a price list and incremental cost study for the service with the department and the commission.

(g) A telephone company may discontinue a telephone service that is subject to emerging competition, as long as the discontinuance is effective for that service throughout the state, effective 60 days after notice to the commission, the department, and affected customers, unless the commission, within 45 days of the notice, orders a hearing on it. If the commission orders a hearing, the commission shall make a final determination on the discontinuance within 180 days of the date that notice of the discontinuance was filed with the commission, except that if a contested case hearing before an administrative law judge is required the commission shall make a final decision within ten months of the date the notice of discontinuance was filed.

(h) A change in a price list not covered by paragraphs (a) to (f) must be reviewed according to the schedule prescribed for a price increase under paragraph (b).

~~(h)~~ (i) An incremental cost study required by this section ~~and~~, section 237.62, *and section 4* must be a long-run incremental cost study unless the commission has allowed the telephone company required to do the study to set rates based on a variable cost study. A telephone company may include a petition to file a variable cost study instead of a long-run incremental cost study with its notice of price change, *notice of a promotion*, or its filing of a new service. The commission shall grant the petition if the company demonstrates that a long-run incremental cost study is burdensome in relation

to its annual revenue from the service involved, that the company has a low market share, that the service is no longer being offered to new customers, or if the company shows other good cause. A petition must be accompanied by a variable cost study. If the petition is denied, the company shall withdraw a filing made under this section.

⊕ (j) For purposes of this section and section 237.62, (1) long-run incremental cost means the change in total cost associated with a change in volume of the service, expressed on a per-unit basis, and (2) variable cost means the change in total cost, excluding fixed costs, associated with a change in volume of service, expressed on a per-unit basis.

Sec. 8. [237.626] [PROMOTION ACTIVITIES.]

A telephone company may promote the use of its services by offering a waiver of part or all of a recurring or a nonrecurring charge, a redemption coupon, or a premium with the purchase of a service. Section 237.09 does not apply to promotions under this section, but the customer group to which the promotion is available must be based on reasonable distinctions among customers. No single promotion may be effective for longer than 90 days at a time. The service being promoted must have a price that is above the incremental cost of the service, including amortized cost of the promotion. A promotion may take effect the day after the notice is filed with the commission. The notice must identify customers to whom the promotion is available and include cost information demonstrating that the revenue from the service covers incremental cost, including cost of the promotion. A telephone company that offers a promotion under this section shall file a report on the promotion with the commission and the department within 90 days of the conclusion of the promotion.

Sec. 9. Minnesota Statutes 1990, section 465.79, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF BOUNDARY COMMISSION.] The boundary commission shall review ~~metes and bounds~~ *property* descriptions within the city. Upon notice to all known parties in interest, the commission shall attempt to establish agreements between adjoining landowners as to the location of common boundaries *as delineated by a certified land survey*. If agreement cannot be reached, the commission shall make a recommendation as to the location of the common boundary. The commission shall prepare a plan designating all agreed and recommended boundary lines and report to the city council.

Sec. 10. Minnesota Statutes 1990, section 465.79, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL REVIEW.] Following hearing, the council may petition the district court for judicial approval of the proposed plan. *If any affected parcel is land registered under chapter 508, the petition must be referred to the examiner of titles for a report.* The council shall provide sufficient information to identify all parties in interest and shall give notice to parties in interest as the court may order. The court shall determine the location of any contested, disputed, or unagreed boundary and shall determine adverse claims to each parcel as provided in chapter 559. After hearing and determining all disputes, the court shall issue its judgment in the form of a plat complying with chapter 505 and *an order designating the owners and encumbrancers of each lot. Real property taxes need not be paid or current as a condition of filing the plat, notwithstanding the requirements*

of section 505.04.

Sec. 11. Minnesota Statutes 1990, section 505.02, subdivision 1, is amended to read:

Subdivision 1. The land shall be surveyed and a plat made setting forth and naming all thoroughfares, showing all public grounds, and giving the dimensions of all lots, thoroughfares and public grounds. All in-lots shall be numbered by beginning the numbering with number one and numbering each lot progressively, through the block in which they are situated, all blocks shall be numbered progressively, by beginning the numbering with the number one and numbering each block progressively through each plat. Consecutive lot or block numbering shall not be continued from one plat into another. All outlots shall be designated by alphabetical order beginning with outlot "A" in each plat. Durable iron monuments shall be set at all angle and curve points on the outside boundary lines of the plat and also at all block and lot corners and at all intermediate points on the block and lot lines indicating changes of direction in the lines and witness corners. The plat shall indicate that all monuments have been set *or will be set within one year after recording, or sooner as specified by the approving local governmental unit. A financial guarantee may be required for the placement of monuments.* There shall be shown on the plat all survey and mathematical information and data necessary to locate all monuments and to locate and retrace any and all interior and exterior boundary lines appearing thereon. The outside boundary lines of the plat shall be correctly designated on the plat and shall show bearings on all straight lines, or angles at all angle points, and central angle and radii and arc length for all curves. All distances shall be shown between all monuments as measured to the nearest hundredth of a foot. All lot distances shall be shown on the plat to the nearest hundredth of a foot and all curved lines within the plat shall show central angles, radii and arc distances. If a curved line constitutes the line of more than one lot in any block of a plat, the central angle for that part of each lot on the curved line shall be shown. The width of all thoroughfares shall be shown on the plat. Ditto marks shall not be used on the plat for any purpose. In any instance where a river, stream, creek, lake or pond constitutes a boundary line within or of the plat, a survey line shall be shown with bearings or angles and distances between all angle points and their relation to a water line, and all distances measured on the survey line between lot lines shall be shown, and the survey line shall be shown as a dashed line. The outside boundary lines of the plat shall close by latitude and departure with an error not to exceed one foot in 7,500 feet. All rivers, streams, creeks, lakes, ponds, swamps, and all public highways and thoroughfares laid out, opened, or traveled (existing before the platting) shall be correctly located and plainly shown and designated on the plat. The name and adjacent boundary lines of any adjoining platted lands shall be dotted on the plat.

Sec. 12. Minnesota Statutes 1990, section 505.03, subdivision 1, is amended to read:

Subdivision 1. On the plat shall be written an instrument of dedication, which shall be signed and acknowledged by the owner of the land. All signatures on the plat shall be written with black ink (not ball point). The instrument shall contain a full and accurate description of the land platted and set forth what part of the land is dedicated, and also to whom, and for what purpose these parts are dedicated. The surveyor shall certify on the plat that the plat is a correct representation of the survey, that all distances are correctly shown on the plat, that all monuments have been *or will be*

correctly placed in the ground as shown *or stated*, and that the outside boundary lines are correctly designated on the plat. If there are no wet lands or public highways to be designated in accordance with section 505.02, the surveyor shall so state. The certificate shall be sworn to before any officer authorized to administer an oath. The plat shall, except in cities whose charters provide for official supervision of plats by municipal officers or bodies, together with an abstract and certificate of title, be presented for approval to the council of the city or town board of towns wherein there reside over 5,000 people in which the land is located; and, if the land is located outside the limits of any city, or such town, then to the board of county commissioners of the county in which the land is located."

Delete the title and insert:

"A bill for an act relating to utilities; defining the term excavation; authorizing land surveyors to receive location information related to underground facilities; requiring notice of land surveys; clarifying authority of commission to reinstate original rate for a telephone service subject to emerging competition on finding proposed rate is below incremental cost or is not just and reasonable; requiring commission to make final decision within 180 days on rate increase of telephone service subject to effective competition, when contested case hearing is not held; providing for telephone company promotion activities; authorizing the recording of monuments on plats before actual placement; amending Minnesota Statutes 1990, sections 216D.01, subdivision 8, and by adding subdivisions; 216D.04; 237.60, subdivision 2; 465.79, subdivisions 2 and 4; 505.02, subdivision 1; and 505.03, subdivision 1; Minnesota Statutes 1991 Supplement, 216D.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237."

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. 2067: A bill for an act relating to waters; allowing exchange of certain state-owned lands for privately owned lands; amending Minnesota Statutes 1991 supplement, section 282.018, 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 1991 Supplement, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) ~~Notwithstanding any other law, Marginal land and wetlands are withdrawn from sale by the state or exchange unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section:~~

(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.

(b) This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota housing finance agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the commissioner of administration or by the Minnesota housing finance agency for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ *restrictive covenant* would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 2. [CITY OF MOUNTAIN LAKE; SURPLUS LAND FOR PUBLIC USE.]

(a) *Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell the land described in paragraph (b) to the city of Mountain Lake in the manner prescribed by Minnesota Statutes, section 84.027, subdivision 10.*

(b) *The land that may be sold is located in Cottonwood county and described as:*

A parcel of land in the southeast quarter of the southeast quarter (SE 1/4 SE 1/4), section 29, township 106 north, range 34 west, in Cottonwood county, Minnesota, more particularly described as follows: Beginning at the southeast corner of said section 29; thence west along the south line of said section 29 to the southwest corner of said southeast quarter of the

southeast quarter (SE 1/4 SE 1/4); thence northerly along the west line of said southeast quarter of the southeast quarter (SE 1/4 SE 1/4), 556 feet, more or less, to the 105 foot contour line as established from a Bench Mark (Elevation 100.00 Assumed Datum), being the top of the Concrete Abutment at its junction with the wing wall at the northwest corner of the Highway Bridge over Spring Creek in the southwest corner of the northwest quarter of the southwest quarter (NW 1/4 SW 1/4), section 28, township 106 north, range 34 west, Cottonwood county, Minnesota, said contour line being shown on Sheet No. 2 of the Topographical Map of the Mountain Lake Dam, Park and Lake Project of the Emergency Relief Administration of the State of Minnesota, dated June 4th, 1985, which map is attached hereto, made a part hereof and marked "Exhibit A"; thence northeasterly along said 105 foot contour line to its intersection with the north line of said southeast quarter of the southeast quarter (SE 1/4 SE 1/4); thence east along said north line 240 feet, more or less, to the northeast corner of said southeast quarter of the southwest quarter (SE 1/4 SW 1/4); thence south along the east line of said section 29, a distance of 1342 feet, more or less, to the point of beginning; containing 55.49 acres, more or less.

(c) The land described in paragraph (b) consists of an island and surrounding submerged lands. The city wishes to improve an existing access to the island and add the island to the city park system for use as a natural area. The land is not needed for resource management and has been declared surplus. It will best serve the public interest if this property is sold and the proceeds used for acquisition of other land.

(d) If the submerged lands included in the legal description in paragraph (b) are held in custody by the state executive council, the council may authorize the commissioner of natural resources to convey the lands.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3, are repealed.

Sec. 4. [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; changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the sale of surplus land bordering public waters for public use; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2 and 3."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 2604: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money;

amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 33, delete “state” and insert “Minnesota”

Page 1, after line 34, insert:

“Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of health.”

Page 1, line 35, delete “3” and insert “4”

Page 2, line 5, after “defined” insert “in rules adopted” and delete “state health care commission” and insert “commissioner”

Page 2, line 14, delete “4” and insert “5”

Page 2, lines 17 and 18, delete “state commission” and insert “commissioner”

Page 2, line 21, delete “The state health”

Page 2, delete line 22

Page 2, line 23, delete everything before “The” and delete “commission” and insert “commissioner of health”

Page 2, line 31, delete “state health care commission” and insert “commissioner”

Page 2, line 34, delete “commission” and insert “commissioner”

Page 3, line 1, delete “state commission” and insert “commissioner”

Page 3, line 2, delete “commission” and insert “commissioner”

Page 3, line 4, after the period, insert “The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other individuals and organizations, except with the permission of the affected individual or organization.”

Subd. 3. [COST CONTAINMENT DUTIES.] After obtaining the advice and recommendations of the Minnesota health care commission, the commissioner shall:

(1) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions for purposes of setting

regional spending limits and coordinating regional health care systems;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop uniform billing forms, uniform electronic billing procedures, and other uniform claims procedures for health care providers by January 1, 1993;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice standards;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate centers of excellence for specialized and high-cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;

(10) administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services;

(11) administer the health care analysis unit under article 7; and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Subd. 4. [CONSULTATION WITH THE COMMISSION.] Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

Subd. 5. [APPEALS.] A person or organization may appeal a decision of the commissioner through a contested case proceeding under chapter 14.

Subd. 6. [RULEMAKING.] The commissioner shall adopt rules under

chapter 14 to implement this chapter.”

Page 3, line 5, delete “3” and insert “7”

Page 3, line 6, before “*commission*” insert “*Minnesota health care*”

Page 5, line 1, delete “*set*” and insert “*make recommendations to the commissioner of health and the legislature regarding*”

Page 5, line 2, delete “*undertake*”

Page 5, line 7, before “*health*” insert “*Minnesota*”

Page 5, line 8, delete “25” and insert “24”

Page 5, line 10, delete “*their*” and insert “*the member’s*”

Page 5, line 32, delete “*be a senior*” and insert “*represent persons over age 65*”

Page 5, delete lines 35 and 36 and insert:

“(f) [EMPLOYEE UNIONS.] *The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.*”

Page 6, delete lines 1 and 2

Page 6, line 4, delete “*health,*”

Page 6, line 5, delete everything after the period

Page 6, delete lines 6 to 11

Page 6, delete lines 14 to 36

Page 7, delete lines 1 to 14 and insert:

“*Subd. 3. [CONFLICTS OF INTEREST.] No member of the commission may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the commission member has a direct financial interest in the outcome of the commission’s proceedings.*”

“*Subd. 4. [IMMUNITY FROM LIABILITY.] Members of the commission and persons employed by the commissioner are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter, provided the members or persons are acting in good faith.*”

Page 7, delete lines 20 to 26

Renumber the subdivisions in sequence

Page 7, line 28, delete “*services*” and insert “*service*”

Page 7, line 34, delete “*implementation of this chapter, the*” and before “*state*” insert “*commissioner of health, the*”

Page 8, line 8, delete “*state*” and insert “*commissioner of health and the Minnesota*”

Page 8, line 9, delete “*its*” and insert “*their*”

Page 8, lines 17 and 29, delete “*state commission*” and insert “*commissioner*”

Page 8, line 22, delete “*commission*” and insert “*commissioner*”

Page 8, line 35, delete "their" and insert "the member's"

Page 9, delete lines 22 and 23 and insert:

“(e) [EMPLOYEE UNIONS.] Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.”

Page 9, line 29, delete "members" and insert "member"

Page 10, line 25, delete "state" and insert "Minnesota"

Page 10, line 34, delete everything after the comma and insert "and make findings and recommendations regarding"

Page 10, line 35, delete "on"

Page 10, line 36, delete "set" and insert "recommend to the commissioner of health and the regional boards"

Page 11, line 3, delete "designate" and insert "make recommendations to the commissioner regarding the designation of"

Page 11, line 5, delete "set" and insert "make recommendations to the commissioner regarding"

Page 11, delete lines 8 to 11 and insert:

"Sec. 7. [62J.17] [TEMPORARY MORATORIUM ON MAJOR CAPITAL EXPENDITURES AND THE INTRODUCTION OF NEW SPECIALIZED SERVICES; EXCEPTIONS.]

Subdivision 1. [PURPOSE.] To ensure access to affordable health care services for all Minnesotans it is necessary to restrain the rate of growth in health care costs. An important factor contributing to escalating costs is the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending limits are established under section 2, providers, patients, and communities will have the opportunity to decide for themselves whether they can afford capital expenditures or new equipment or specialized services within the constraints of a spending limit. In this environment, the state's role in reviewing these spending commitments can be more limited. However, during the interim period until spending limits are established, it is important to prevent unrestrained major spending commitments that will contribute further to the escalation of health care costs and make future cost containment efforts more difficult. In addition, it is essential to protect against the possibility that the legislature's expression of its attempt to control health care costs may lead a provider to make major spending commitments before limits or other cost containment constraints are fully implemented because the provider recognizes that the spending commitment may not be considered appropriate, needed, or affordable within the context of a fixed budget for health care spending. Therefore, the legislature finds that a restrictive temporary moratorium on major health care spending commitments is necessary.

Subd. 2. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given.

(a) [CAPITAL EXPENDITURE.] "Capital expenditure" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.

(b) [HEALTH CARE SERVICE.] *"Health care service" means:*

(1) *a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and*

(2) *a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.*

"Health care service" does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

(c) [MAJOR SPENDING COMMITMENT.] *"Major spending commitment" means:*

(1) *acquisition of a unit of medical equipment costing more than \$250,000;*

(2) *a capital expenditure of over \$300,000 for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;*

(3) *offering a new specialized service not offered before with projected operating costs of over \$150,000 a year;*

(4) *spending over \$300,000 on planning for an activity that would qualify as a major spending commitment under this paragraph; or*

(5) *a project involving a combination of two or more of the activities in clauses (1) to (4) with a combined total cost of more than \$300,000.*

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

(d) [MEDICAL EQUIPMENT.] *"Medical equipment" means fixed and movable equipment that is used by a provider in the provision of a health care service. "Medical equipment" includes, but is not limited to, the following:*

(1) *an extracorporeal shock wave lithotripter;*

(2) *a computerized axial tomography (CAT) scanner;*

(3) *a magnetic resonance imaging (MRI) unit;*

(4) *a positron emission tomography (PET) scanner; and*

(5) *emergency and nonemergency medical transportation equipment and vehicles.*

(e) [NEW SPECIALIZED SERVICE.] *"New specialized service" means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:*

(1) *cardiac catheterization services involving high-risk patients as defined in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;*

(2) *heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;*

- (3) megavoltage radiation therapy;
- (4) open heart surgery;
- (5) neonatal intensive care services; and
- (6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration.

(f) [PROVIDER.] "Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.

Subd. 3. [MORATORIUM.] No provider may make a major spending commitment involving the provision of health care services between May 1, 1992, and July 1, 1993, except as allowed under this section.

Subd. 4. [EXCEPTIONS.] A provider may make a major spending commitment authorized under this subdivision after filing a notice with the commissioner and providing supporting documentation and evidence requested by the commissioner that demonstrates that the spending commitment qualifies for an exception under this subdivision. The commissioner shall make a decision on a completed application for an exception by August 1, 1992, or 60 days after an application is submitted, whichever is later. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care capital expenditures to review applications and make recommendations to the commissioner and the commission.

(a) [SUBSTANTIAL STEPS TAKEN BEFORE APRIL 1, 1992.] A provider may make a major spending commitment if the provider entered into a contract prior to April 1, 1992, which binds the provider to the spending commitment, or if the provider can prove through contemporaneous documents that the provider took substantial steps toward the spending commitment prior to April 1, 1992. For purposes of this paragraph, "substantial steps" means the provider completed a feasibility study or acquisition plan, obtained preliminary approval from persons responsible for approving the spending commitment, and set in motion a process that would reasonably be expected to lead to making the spending commitment by August 1, 1992.

(b) [REPLACEMENT.] A provider may make a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state. A provider may make a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(c) [ACQUISITIONS AND MERGERS.] This section does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(d) [COST EFFECTIVE SPENDING COMMITMENTS.] A provider may make a major spending commitment if, in the judgment of the commissioner, the major spending commitment will, over a five-year period, produce a net savings to health care purchasers.

(e) [RESEARCH AND TEACHING.] *A major spending commitment may be made by a public research and teaching institution or a national referral center described in section 144.551, subdivision 1, paragraph (b), clause (1), for conducting research or clinical trials or for health care education and training purposes.*

(f) [NATIONAL REFERRAL CENTERS.] *A major spending commitment may be made by a provider if the provider demonstrates that at least 40 percent of the patients who will benefit from and pay for the capital expenditure, equipment purchase, or new specialized service are residents of another state.*

(g) [APPROVED EXCEPTIONS TO THE NURSING HOME MORATORIUM.] *A major spending commitment may be made by a nursing home if approval has been granted under section 144A.073 or the nursing home has obtained legislation authorizing the project.*

Subd. 5. [HARDSHIP EXCEPTIONS.] (a) *The commission may approve hardship exceptions to the moratorium on major spending commitments if the proposed major spending commitment satisfies all of the criteria in this subdivision.*

(b) *No hardship exception may be approved under this subdivision unless the provider demonstrates that delaying the major spending commitment until July 1, 1993, or later will cause significant and clearly identifiable access problems for patients who would derive a significant benefit as a direct result of the major spending commitment and that the proposed spending commitment is the least costly alternative that will effectively address the access problem.*

(c) *Major spending commitments involving equipment or new specialized services must satisfy the following criteria in addition to the criteria in paragraph (b):*

(1) *the equipment or specialized service has been clearly demonstrated by research and clinical trials to be effective and beneficial;*

(2) *the spending commitment will make available equipment or specialized services that are not currently available within 50 miles of the site of the equipment or new service;*

(3) *the need for the equipment or specialized service within the area from which the provider normally draws patients is clearly sufficient to justify the major spending commitment without drawing patients away from existing providers who already offer the service or equipment in the area; and*

(4) *the provider has or can easily acquire the necessary technical expertise, resources, and support to make effective use of the new equipment or service.*

Subd. 6. [BURDEN OF PROOF.] *A provider seeking an exception to the moratorium on major spending commitments under subdivision 4 or 5 bears the burden of providing evidence and documentation in the form required by the commissioner that establishes that the provider qualifies for an exception under subdivision 4 or meets the criteria for approval under subdivision 5.*

Subd. 7. [RULEMAKING.] *The commissioner is exempt from the rule-making requirements of chapter 14 for purposes of implementing this section.*

Subd. 8. [APPEALS.] A provider may appeal a decision of the commissioner under this section through a contested case proceeding under chapter 14.

Subd. 9. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED.] Nothing in this section supersedes or limits the applicability of sections 144.551 or 144A.071.

Subd. 10. [SEVERABILITY IF REVIEW PROCESS CHALLENGED.] The legislature intends that, if the hardship exception review process in subdivision 4 is enjoined or invalidated by a court, the moratorium in subdivision 3 is severable from the exception review process and must be construed to stand alone without a process for approving exceptions.

Subd. 11. [REPORT AND RECOMMENDATIONS.] The Minnesota health care commission, in consultation with the health planning advisory committee and regional coordinating boards, shall submit recommendations to the legislature by January 15, 1993, for a permanent strategy to ensure that major spending commitments are appropriate in terms of the accessibility, affordability, and quality of health care in Minnesota."

Page 11, lines 13 and 29, delete "health care commission" and insert "commissioner of health"

Page 12, line 2, delete "commission's" and insert "commissioner's"

Page 12, lines 23 and 24, delete "state commission and the regional boards" and insert "commissioner"

Page 12, line 32, delete "commission" and insert "commissioner"

Page 13, lines 2 and 3, delete "health care commission" and insert "commissioner"

Page 13, delete section 10 and insert:

"Sec. 10. [62J.27] [PRACTICE PARAMETERS.]

Subdivision 1. [APPROVAL.] The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may through rulemaking under chapter 14 approve practice parameters that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care.

Subd. 2. [MEDICAL NEGLIGENCE CASES.] (a) In a medical negligence action, adherence to a practice parameter approved by the commissioner of health is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.

(b) Evidence of a departure from a practice parameter is admissible only on the issue of whether the provider is entitled to an absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the effective date of rules adopted by the commissioner approving the applicable practice parameter, whichever is later."

Page 13, lines 20 and 36, delete "state commission" and insert "commissioner"

Page 13, line 21, delete "to allow the state to sanction" and insert "for sanctioning"

Page 13, line 30, delete “*involving providers or purchasers*” and after “*are*” insert “*expressly*”

Page 13, line 31, delete “*state*”

Page 13, line 34, delete “*state commission or a regional board*” and insert “*commissioner*”

Renumber the sections of article I in sequence

Page 53, delete section 1 and insert:

“Section 1. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. [NAME.] Effective July 1, 1993, the name of the public employees insurance plan shall be the pooled employers insurance program. The pooled employers insurance program, as described in section 43A.317, is a continuation and expansion of the public employees insurance plan.

Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. [ELIGIBILITY AND COVERAGE.] Notwithstanding any contrary provision of section 43A.317, any group enrolled in the public employees insurance plan for a term extending beyond June 30, 1993, will become covered by the pooled employers insurance program pursuant to the terms of their participation agreement with the public employees insurance plan. The commissioner of employee relations may provide such a group the option to convert to alternative coverage if available through the pooled employers insurance program. Upon the expiration of their participating agreement with the public employees insurance plan, the group may enroll in the pooled employers insurance program under section 43A.317, provided the group continues to meet the eligibility criteria that existed on June 30, 1993.

Sec. 3. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 13. [TRUST FUND.] Effective July 1, 1993, all assets and obligations of the public employees insurance trust fund are transferred to the pooled employers insurance trust fund, as described in section 43A.317, subdivision 9.

Sec. 4. [43A.317] [POOLED EMPLOYERS INSURANCE PROGRAM.]

Subdivision 1. [INTENT.] The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [COMMISSIONER.] “Commissioner” means the commissioner of employee relations.

(c) [ELIGIBLE EMPLOYEE.] “Eligible employee” means an employee eligible to participate in the program under the terms described in subdivision 6.

(d) [ELIGIBLE EMPLOYER.] “Eligible employer” means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) [ELIGIBLE INDIVIDUAL.] *"Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.*

(f) [EMPLOYEE.] *"Employee" means a common law employee of an eligible employer.*

(g) [EMPLOYER.] *"Employer" means a public or private person, firm, corporation, partnership, association, unit of local government, or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.*

(h) [PROGRAM.] *"Program" means the pooled employers insurance program created by this section.*

(i) [PUBLIC EMPLOYER.] *"Public employer" means an employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, or school district as defined in section 120.02; educational cooperative service unit as defined in section 123.58; intermediate district as defined in section 136C.02, subdivision 7; cooperative center for vocational education as defined in section 123.351; regional management information center as defined in section 121.935; an education unit organized under a joint powers action under section 471.59; or another public employer approved by the commissioner.*

Subd. 3. [ADMINISTRATION.] The commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee is governed by sections 15.014 and 15.059, and continues to exist while the program remains in operation.

Subd. 5. [EMPLOYER ELIGIBILITY.] (a) [PROCEDURES.] All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) [TERM.] The initial term of an employer's coverage will be two years from the effective date of the employer's application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.

(c) [MINNESOTA WORK FORCE.] An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in

Minnesota. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) [PRIVATE EMPLOYER.] A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.

(f) [MINIMUM PARTICIPATION.] The commissioner may require as a condition of employer eligibility that: (1) a minimum percentage of eligible employees are covered through the program; and (2) the employer makes a minimum level of contribution toward the cost of coverage.

(g) [EMPLOYER CONTRIBUTION.] The commissioner may require as a condition of employer eligibility that the employer contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) [ENROLLMENT CAP.] The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. [INDIVIDUAL ELIGIBILITY.] (a) [PROCEDURES.] The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) [EMPLOYEES.] An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) [OTHER INDIVIDUALS.] An employer may elect to cover under its plan:

(1) the spouse, dependent children, and dependent grandchildren of a covered employee;

(2) a retiree who is eligible to receive a pension or annuity from the employer, and a covered retiree's spouse, dependent children, and dependent grandchildren;

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2.

(d) [WAIVER AND LATE ENTRANCE.] An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 20.

(e) [CONTINUATION COVERAGE.] Continuation coverage is available through the program for all qualified beneficiaries as may be required by state and federal law.

Subd. 7. [COVERAGE.] Coverage is available through the program beginning on July 1, 1993. At least annually, the commissioner shall solicit bids from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. To the extent feasible, the commissioner shall provide coverage through contracts with carriers.

(a) [HEALTH COVERAGE.] Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage.

(b) [OPTIONAL COVERAGES.] In addition to offering health coverage, the commissioner may arrange to offer life, dental, and disability coverage through the program. Employers with health coverage may choose to offer one or more of these optional coverages according to the terms established by the commissioner. Life and disability insurance may be offered only to public employers.

(c) [OPEN ENROLLMENT.] The program must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.

(d) [TECHNICAL ASSISTANCE.] The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.33.

Subd. 8. [PREMIUMS.] (a) [PAYMENTS.] Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.

(b) [RATING METHOD.] The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible

small employers must meet or exceed the requirements of chapter 62L. The rating methods may exclude from premiums all or part of the costs for state administration and for maintenance of a premium stability and claim fluctuation reserve, provided that the commissioner shall incorporate these costs into premium as permitted by the size and stability of the program.

(c) [TAX STATUS.] *Premiums paid to or by the program are exempt from the tax imposed by sections 60A.15 and 60A.198.*

Subd. 9. [POOLED EMPLOYERS INSURANCE TRUST FUND.] (a) [CONTENTS.] *The pooled employer insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.*

(b) [APPROPRIATION.] *All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.*

(c) [RESERVES.] *For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves: (1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and (2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997. The commissioner shall repay direct appropriations provided to establish a reserve for the program when the commissioner of finance determines that a sufficient reserve has accumulated to allow repayment.*

(d) [INVESTMENTS.] *The state board of investment shall invest money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.*

Subd. 10. [PROGRAM STATUS.] *The pooled employers insurance program is a state program to provide the advantages of a large pool for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program and, where applicable, the employers enrolled in it do not constitute insurance within the meaning of state law and are not subject to chapters 60A, 62A, 62C, 62D, 62E, 62H, and 62L, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.*

Subd. 11. [EVALUATION.] *The commissioner shall report to the legislature on December 15, 1995, concerning the success of the program in fulfilling the intent of the legislature."*

Page 59, after line 11, insert:

"Sec. 12. [62A.022] [UNIFORM CLAIMS FORMS AND BILLING PRACTICES.]

By January 1, 1993, the commissioner of commerce, in consultation with the commissioners of health and human services, shall establish and require uniform claims forms and uniform billing and record keeping practices applicable to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated

under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, if issued or renewed to provide coverage to Minnesota residents."

Page 67, line 3, before "Minnesota" insert "(a)"

Page 67, after line 4, insert:

"(b) Minnesota Statutes 1990, section 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9, are repealed effective July 1, 1993."

Page 67, line 6, delete "9" and insert "13" and delete "2 to 8, 10" and insert "5 to 11, 14"

Page 67, line 7, delete "13, and 18" and insert "17, and 22" and delete "11, 15, 16" and insert "15, 19, 20"

Page 67, line 8, delete "17" and insert "21"

Renumber the sections of article 3 in sequence

Page 78, line 34, delete "individuals" and insert "members"

Page 79, line 30, delete everything after the period

Page 79, delete line 31

Page 83, delete section 7 and insert:

"Sec. 7. [SPECIAL STUDIES.]

(a) The commissioner of health, through the office of rural health, shall:

(1) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by January 15, 1994; and

(2) 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 January 1, 1993.

(b) The commissioner of administration, through the statewide telecommunications access routing program and its advisory council, and in cooperation with the commissioner of health and the rural health advisory committee, shall investigate and develop recommendations regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery. The commissioner of administration shall report findings and recommendations to the legislature by January 15, 1994."

Page 91, lines 22 and 23, delete "state health care commission" and insert "commissioner of health, in consultation with the Minnesota health care commission,"

Page 91, line 27, delete "commission" and insert "commissioner"

Page 94, lines 18, 22, 31, and 36, delete "commission" and insert "commissioner"

Page 97, line 15, delete "unit" and insert "commissioner" and after "may" insert "appoint peer review panels and"

Page 97, line 18, delete “unit” and insert “commissioner”

Page 97, line 23, delete “shall” and insert “must” and delete “if” and insert “whether”

Page 97, line 33, delete “commission” and insert “commissioner”

Page 98, line 7, delete “is governed by section 15.059” and insert “expires upon the submission of its recommendations”

Page 101, line 19, delete “commission” and insert “commissioner of health and the Minnesota health care commission”

Page 118, line 5, delete “Notwithstanding any other law to the contrary.”

Page 124, delete lines 38 and 39

Amend the title as follows:

Page 1, line 10, delete “a”

Page 1, line 11, delete “subdivision” and insert “subdivisions”

Page 1, line 20, after “16A;” insert “43A;”

Page 1, line 23, after “sections” insert “43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10;”

Page 1, line 24, before the period, insert “; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9”

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce, to which was referred

S.F. No. 2374: A bill for an act relating to insurance; auto; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying related rights of insureds; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 72A.20, subdivision 23, is amended to read:

Subd. 23. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state shall:

(1) use the employment status of the applicant as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

(b) No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant’s status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage.

(d) No insurer that offers an automobile insurance policy in this state shall use an applicant's prior no-fault claims history as an underwriting standard or guideline if the applicant was 50 percent or less negligent in the accident or accidents causing the claims.

Sec. 2. Minnesota Statutes 1991 Supplement, 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. *An insured is not bound by any settlement of its insurer's subrogation claim with respect to the deductible amount, unless the insured receives, as a result of the subrogation settlement, the full amount of the deductible. Recovery by the insurer and receipt by the insured of less than all of the insured's deductible amount does not affect the insured's rights to recover any unreimbursed portion of the deductible from parties liable for the loss;*

(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) failing to provide, to an insured who has submitted a claim for benefits described in section 65B.44, a complete copy of the insurer's claim file on the insured, excluding internal company memoranda, all materials that relate to any insurance fraud investigation, materials that constitute attorney work-product or that qualify for the attorney-client privilege, and medical reviews that are subject to section 145.64, within ten business days of receiving a written request from the insured. The insurer may charge the insured a reasonable copying fee. This clause supersedes any inconsistent provisions of sections 72A.49 to 72A.505;

(14) 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.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1993, and apply to all policies issued or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; automobile; prohibiting discrimination in automobile insurance policies; specifying rights of insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1857: A bill for an act relating to health; changing home care licensure requirements; requiring persons who provide home management services to be registered, but not licensed; removing the fee exemption for local government providers; amending Minnesota Statutes 1990, sections 144A.43, subdivisions 3 and 4; and 144A.46, subdivision 5; Minnesota Statutes 1991 Supplement, section 144A.46, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 144A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 3, delete "*an agency*" and insert "*a provider*"

Page 5, line 6, after "9525.0660" insert "*when providing home care services to a person with a developmental disability*"

Page 5, line 7, strike "person"

Page 5, line 8, delete "*or agency*" and insert "*provider*"

Page 5, line 13, after "9525.2140" insert "*when providing home care services to a person with a developmental disability*"

Page 5, line 22, strike "An" and delete "*individual*"

Page 5, lines 23 to 27, strike the old language

Page 5, line 28, strike everything before "The" and insert "*All persons who have or will have direct contact with clients, including the home care provider, employees of the provider, and applicants for employment shall be required to disclose all criminal convictions.*"

Page 6, line 30, delete "*not licensed as a home care*"

Page 6, line 31, delete "*provider*" and after "*provides*" insert "*only*"

Page 6, line 35, after "*must*" insert "*annually*"

Page 7, line 4, after "*rights*" insert "*provisions contained in section 144A.44*" and after the period, insert "*A person who provides home management services under this section must, within six months after beginning to provide services, attend an orientation session approved by the commissioner that provides training on the bill of rights and an orientation on the aging process and the needs and concerns of elderly and disabled persons.*"

Page 7, line 7, delete "*controlling persons*" and insert "*individuals responsible for the management or direction*"

Page 7, line 8, delete "*a*" and insert "*an annual*"

Page 7, line 19, delete the comma and insert "*or*"

Page 7, line 20, delete "*, or impose conditions of registration.*"

Page 7, line 21, delete everything after the period and insert "*Any fine assessed for a violation of the bill of rights by a provider registered under this section shall be in the amount established in the licensure rules for home care providers.*"

Page 7, delete lines 22 and 23

Page 7, line 24, delete everything before "As"

Page 7, after line 32, insert:

"Sec. 7. Minnesota Statutes 1991 Supplement, section 144A.49, is amended to read:

144A.49 [TEMPORARY PROCEDURES.]

For purposes of this section, "home care providers" shall mean the providers described in section 144A.43, subdivision 4, including hospice programs described in section 144A.48. Home care providers are exempt from the licensure requirement in section 144A.46, subdivision 1, until 90

days after the effective date of the licensure rules. Beginning July 1, 1987, no home care provider, as defined in section 144A.43, subdivision 4, except a provider exempt from licensure under section 144A.46, subdivision 2, may provide home care services in this state without registering with the commissioner. A home care provider is registered with the commissioner when the commissioner has received in writing the provider's name; the name of its parent corporation or sponsoring organization, if any; the street address and telephone number of its principal place of business; the street address and telephone number of its principal place of business in Minnesota; the counties in Minnesota in which it may render services; the street address and telephone number of all other offices in Minnesota; and the name, educational background, and ten-year employment history of the person responsible for the management of the agency. A registration fee must be submitted with the application for registration, ~~except that the commissioner shall not collect a registration fee from a home care provider operated by a statutory or home rule charter city, county, town, or other governmental entity.~~ The fee must be established pursuant to section 144.122 and must be based on a consideration of the following factors: the number of clients served by the home care provider, the number of employees, the number of services offered, and annual revenues of the provider. The registration is effective until 90 days after licensure rules are effective. In order to maintain its registration and provide services in Minnesota, a home care provider must comply with section 144A.44 and comply with requests for information under section 144A.47. A registered home care provider is subject to sections 144A.51 to 144A.54. Registration under this section does not exempt a home care provider from the licensure and other requirements later adopted by the commissioner.

Within 90 days after the effective date of the licensure rules under section 144A.45, the commissioner of health shall issue provisional licenses to all home care providers registered with the department as of that date. The provisional license shall be valid until superseded by a license issued under section 144A.46 or for a period of one year, whichever is shorter. Applications for licensure as a home care provider received on or after the effective date of the home care licensure rules, shall be issued under section 144A.46, subdivision 1.

Sec. 8. Minnesota Statutes 1991 Supplement, section 144A.61, subdivision 3a, is amended to read:

Subd. 3a. [COMPETENCY EVALUATION PROGRAM.] The commissioner of health shall approve the competency evaluation program. A competency evaluation must be administered to nursing assistants who desire to be listed in the nursing assistant registry *and who have done one of the following: (1) completed an approved training program; (2) been listed on the nursing assistant registry maintained by another state; or (3) completed a training program in nursing assistant skills other than the approved course.* The tests may only be administered by technical colleges, community colleges, or other organizations approved by the department of health. ~~After January 1, 1992,~~ A competency evaluation for a person, other than an individual enrolled in a licensed nurse education program, who has not completed an approved nursing assistant training program, must include an evaluation of all clinical skills.

Sec. 9. Minnesota Statutes 1991 Supplement, section 144A.61, subdivision 6a, is amended to read:

Subd. 6a. [NURSING ASSISTANTS HIRED IN 1990 AND AFTER.] Each nursing assistant hired to work in a nursing home or in a certified boarding care home on or after January 1, 1990, must have successfully completed an approved competency evaluation *prior to employment* or an approved nursing assistant training program and competency evaluation within four months from the date of employment.

Sec. 10. [CONSOLIDATION OF REGULATION OF HOME CARE SERVICES AND RESIDENTIAL CARE HOMES.]

The commissioner of health, in consultation with the commissioner of human services, shall submit a report to the legislature by November 1, 1992, on the advisability and feasibility of consolidating licensure and regulation of home care services and residential care homes into one activity with the goal of avoiding contradictory or duplicative regulation and allowing flexibility for creative service development by regulating services rather than institutions. If the commissioner determines that consolidation of the two systems is feasible and desirable, the commissioner shall submit recommendations for changes in laws and regulations that are necessary to consolidate the systems. In developing the report and recommendations, the commissioner shall consider methods of enforcing physical plant and fire safety standards that are appropriate to congregate living setting and that reflect the needs and characteristics of different populations served in residential care homes. The commissioner shall also consider the need to modify home care rules to allow a social model for providing services as an alternative to a medical model for certain supportive services provided in residential care homes and home care settings. The commissioner of health shall consult with the commissioner of human services regarding the impact of changes on costs and payment mechanisms."

Page 7, line 34, delete "6" and insert "10"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "requiring a report on consolidation of regulation of home care services and residential care homes;"

Page 1, line 9, delete "section" and insert "sections" and after the semicolon, insert "144A.49; and 144A.61, subdivisions 3a and 6a;"

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. 2732: A bill for an act relating to public health; providing for the reporting and monitoring of certain licensed health care workers who are infected with the human immunodeficiency virus or hepatitis B virus; authorizing rulemaking for certain health-related licensing boards; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 144.054; 144.55, subdivision 3; 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 153.19, subdivision 1; and 214.12; proposing coding in Minnesota Statutes, chapters 150A; and 214.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 144.054, is amended to read:

144.054 [SUBPOENA POWER.]

Subdivision 1. The commissioner may, as part of an investigation to determine whether a serious health threat exists or to locate persons who may have been exposed to an agent which can seriously affect their health, issue subpoenas to require the attendance and testimony of witnesses and production of books, records, correspondence, and other information relevant to any matter involved in the investigation. The commissioner or the commissioner's designee may administer oaths to witnesses or take their affirmation. The subpoenas may be served upon any person named therein anywhere in the state by any person authorized to serve subpoenas or other processes in civil actions of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as contempt of court. *Except as provided in subdivision 2,* no person may be compelled to disclose privileged information as described in section 595.02, subdivision 1. All information pertaining to individual medical records obtained under this section shall be considered health data under section 13.38. The fees for the service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued out of a district court. Witnesses must receive the same fees and mileage as in civil actions.

Subd. 2. The commissioner may subpoena privileged medical information of patients who may have been exposed by a licensed dental hygienist, dentist, physician, nurse, podiatrist, a registered dental assistant, or a physician's assistant who is infected with the human immunodeficiency virus (HIV) or hepatitis B virus (HBV) when the commissioner has determined that it may be necessary to notify those patients that they may have been exposed to HIV or HBV.

Sec. 2. Minnesota Statutes 1990, section 144.55, subdivision 3, is amended to read:

Subd. 3. [STANDARDS FOR LICENSURE.] (a) Notwithstanding the provisions of section 144.56, for the purpose of hospital licensure, the commissioner of health shall use as minimum standards the hospital certification regulations promulgated pursuant to Title XVIII of the Social Security Act, United States Code, title 42, section 1395, et. seq. The commissioner may use as minimum standards changes in the federal hospital certification regulations promulgated after May 7, 1981 if the commissioner finds that such changes are reasonably necessary to protect public health and safety. The commissioner shall also promulgate in rules additional minimum standards for new construction.

(b) *Each hospital shall establish policies and procedures to prevent the transmission of human immunodeficiency virus and hepatitis B virus to patients and within the health care setting. The policies and procedures shall be developed in conformance with the most recent recommendations issued by the United States Department of Health and Human Services, Public Health Service, Centers for Disease Control. The commissioner of*

health shall evaluate a hospital's compliance with the policies and procedures according to subdivision 4.

Sec. 3. Minnesota Statutes 1990, section 147.091, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury

need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in which proceeding actual injury to a patient need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant financial interest unless the physician has disclosed the physician's own financial interest; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

(v) *Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.*

Sec. 4. Minnesota Statutes 1990, section 148.261, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board shall have power to deny, revoke, suspend, limit, or condition the license and registration of any person to practice professional or practical nursing pursuant to sections 148.171 to 148.285, or to otherwise discipline a licensee or applicant as described in section 148.262. The following are grounds for disciplinary action:

(1) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in section 148.171 to 148.285 or rules of the board. In the case of a person applying for a license, the burden of proof is upon the applicant to demonstrate the qualifications or satisfaction of the requirements.

(2) Employing fraud or deceit in procuring or attempting to procure a permit, license, or registration certificate to practice professional or practical nursing or attempting to subvert the licensing examination process. Conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to:

(i) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination;

(ii) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or

(iii) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(3) Conviction during the previous five years of a felony or gross misdemeanor reasonably related to the practice of professional or practical nursing. Conviction as used in this subdivision shall include a conviction of an offense that if committed in this state would be considered a felony or gross misdemeanor without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

(4) Revocation, suspension, limitation, conditioning, or other disciplinary action against the person's professional or practical nursing license in another state, territory, or country; failure to report to the board that charges regarding the person's nursing license are pending in another state, territory, or country; or having been refused a license by another state, territory, or country.

(5) Failure to or inability to perform professional or practical nursing as defined in section 148.171, paragraph (3) or (5), with reasonable skill and safety, including failure of a registered nurse to supervise or a licensed practical nurse to monitor adequately the performance of acts by any person working at the nurse's direction.

(6) Engaging in unprofessional conduct including, but not limited to, a departure from or failure to conform to board rules of professional or practical nursing practice that interpret the statutory definition of professional or practical nursing as well as provide criteria for violations of the statutes, or, if no rule exists, to the minimal standards of acceptable and prevailing professional or practical nursing practice, or any nursing practice that may create unnecessary danger to a patient's life, health, or safety. Actual injury to a patient need not be established under this clause.

(7) Delegating or accepting the delegation of a nursing function or a prescribed health care function when the delegation or acceptance could reasonably be expected to result in unsafe or ineffective patient care.

(8) Actual or potential inability to practice nursing with reasonable skill and safety to patients by reason of illness, use of alcohol, drugs, chemicals, or any other material, or as a result of any mental or physical condition.

(9) Adjudication as mentally incompetent, mentally ill, a chemically dependent person, or a person dangerous to the public by a court of competent jurisdiction, within or without this state.

(10) Engaging in any unethical conduct including, but not limited to, conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient. Actual injury need not be established under this clause.

(11) Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient, or engaging in sexual exploitation of a patient or former patient.

(12) Obtaining money, property, or services from a patient, other than reasonable fees for services provided to the patient, through the use of undue influence, harassment, duress, deception, or fraud.

(13) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(14) Engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws or state medical assistance laws.

(15) Improper management of patient records, including failure to maintain adequate patient records, to comply with a patient's request made pursuant to section 144.335, or to furnish a patient record or report required by law.

(16) Knowingly aiding, assisting, advising, or allowing an unlicensed person to engage in the unlawful practice of professional or practical nursing.

(17) Violating a rule adopted by the board, an order of the board, or a state or federal law relating to the practice of professional or practical nursing, or a state or federal narcotics or controlled substance law.

(18) Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

Sec. 5. Minnesota Statutes 1990, section 150A.08, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The board may refuse or by order suspend or revoke, limit or modify by imposing conditions it deems necessary, any license to practice dentistry or dental hygiene or the registration of any dental assistant upon any of the following grounds:

(1) Fraud or deception in connection with the practice of dentistry or the securing of a license or annual registration certificate;

(2) Conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of a felony or gross misdemeanor reasonably related to the practice of dentistry as evidenced by a certified copy of the conviction;

(3) Conviction, including a finding or verdict of guilt, an admission of guilt, or a no contest plea, in any court of an offense involving moral turpitude as evidenced by a certified copy of the conviction;

(4) Habitual overindulgence in the use of intoxicating liquors;

(5) Improper or unauthorized prescription, dispensing, administering, or personal or other use of any legend drug as defined in chapter 151, of any chemical as defined in chapter 151, or of any controlled substance as defined in chapter 152;

(6) Conduct unbecoming a person licensed to practice dentistry or dental hygiene or registered as a dental assistant, or conduct contrary to the best interest of the public, as such conduct is defined by the rules of the board;

(7) Gross immorality;

(8) Any physical, mental, emotional, or other disability which adversely affects a dentist's, dental hygienist's, or registered dental assistant's ability to perform the service for which the person is licensed or registered;

(9) Revocation or suspension of a license, registration, or equivalent authority to practice, or other disciplinary action or denial of a license or registration application taken by a licensing, registering, or credentialing authority of another state, territory, or country as evidenced by a certified copy of the licensing authority's order, if the disciplinary action or application denial was based on facts that would provide a basis for disciplinary action under this chapter and if the action was taken only after affording the credentialed person or applicant notice and opportunity to refute the allegations or pursuant to stipulation or other agreement;

(10) Failure to maintain adequate safety and sanitary conditions for a dental office in accordance with the standards established by the rules of the board;

(11) Employing, assisting, or enabling in any manner an unlicensed person to practice dentistry;

(12) Failure or refusal to attend, testify, and produce records as directed by the board under subdivision 7; ~~or~~

(13) Violation of, or failure to comply with, any other provisions of sections 150A.01 to 150A.12, the rules of the board of dentistry, or any disciplinary order issued by the board or for any other just cause related to the practice of dentistry. Suspension, revocation, modification or limitation of any license shall not be based upon any judgment as to therapeutic or monetary value of any individual drug prescribed or any individual treatment rendered, but only upon a repeated pattern of conduct; *or*

(14) Knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

Sec. 6. [150A.081] [ACCESS TO MEDICAL DATA.]

When the board has probable cause to believe that a licensee's or registrant's condition meets a ground listed in section 150A.08, subdivision 1, clause (4) or (8), it may, notwithstanding sections 13.42, 144.651, or any other law limiting access to medical data, obtain medical or health records relating to the licensee or registrant without the person's consent. The medical data may be requested from a provider, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency. A provider, insurance company, or government agency shall comply with a written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released under the written request, unless the information is false and the entity providing the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private data on individuals under chapter 13. Under this subdivision, the commissioner of health is not required to release health data collected and maintained under section 13.38.

Sec. 7. Minnesota Statutes 1990, section 153.19, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in this section against any doctor of podiatric medicine. The following conduct is prohibited and is grounds for disciplinary action:

(1) failure to demonstrate the qualifications or satisfy the requirements

for a license contained in this chapter or rules of the board; the burden of proof shall be upon the applicant to demonstrate the qualifications or satisfaction of the requirements;

(2) obtaining a license by fraud or cheating or attempting to subvert the licensing examination process;

(3) conviction, during the previous five years, of a felony reasonably related to the practice of podiatric medicine;

(4) revocation, suspension, restriction, limitation, or other disciplinary action against the person's podiatric medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction;

(5) advertising that is false or misleading;

(6) violating a rule adopted by the board or an order of the board, a state, or federal law that relates to the practice of podiatric medicine, or in part regulates the practice of podiatric medicine, or a state or federal narcotics or controlled substance law;

(7) engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare, or safety of a patient; or podiatric medical practice that is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established;

(8) failure to supervise a preceptor or resident;

(9) aiding or abetting an unlicensed person in the practice of podiatric medicine, except that it is not a violation of this clause for a podiatrist to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority;

(10) adjudication as mentally incompetent, or mentally ill, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state;

(11) engaging in unprofessional conduct that includes any departure from or the failure to conform to the minimal standards of acceptable and prevailing podiatric medical practice, but actual injury to a patient need not be established;

(12) inability to practice podiatric medicine with reasonable skill and safety to patients by reason of illness or chemical dependency or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills;

(13) revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law;

(14) improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made under section 144.335 or to furnish a medical record or report required by law;

(15) accepting, paying, or promising to pay a part of a fee in exchange

for patient referrals;

(16) engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws;

(17) becoming addicted or habituated to a drug or intoxicant;

(18) prescribing a drug for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency;

(19) engaging in sexual conduct with a patient or conduct that may reasonably be interpreted by the patient as sexual, or in verbal behavior which is seductive or sexually demeaning to a patient;

(20) failure to make reports as required by section 153.24 or to cooperate with an investigation of the board as required by section 153.20;

(21) knowingly providing false or misleading information that is directly related to the care of that patient unless done for an accepted therapeutic purpose such as the administration of a placebo.

Sec. 8. Minnesota Statutes 1990, section 214.12, is amended to read:

214.12 [CONTINUING EDUCATION.]

Subdivision 1. [REQUIREMENTS.] The health-related and non-health-related licensing boards may promulgate by rule requirements for renewal of licenses designed to promote the continuing professional competence of licensees. These requirements of continuing professional education or training shall be designed solely to improve professional skills and shall not exceed an average attendance requirement of 50 clock hours per year. All requirements promulgated by the boards shall be effective commencing January 1, 1977, or at a later date as the board may determine. The 50 clock hour limitation shall not apply to the board of teaching.

Subd. 2. [INFECTION CONTROL.] The boards listed in section 214.17, subdivision 1, shall require by rule that licensees obtain instruction or continuing education in the subject of infection control including blood-borne diseases.

Sec. 9. [214.16] [HIV AND HBV PREVENTION PROGRAM; PURPOSE AND SCOPE.]

Sections 214.16 to 214.24 are intended to promote the health and safety of patients and regulated persons by reducing the risk of infection in the provision of health care.

Sec. 10. [214.17] [DEFINITIONS.]

Subdivision 1. [BOARD.] "Board" means the boards of dentistry, medical practice, nursing, and podiatric medicine. For purposes of sections 214.18, subdivisions 4 and 5; 214.19, paragraph (a); and 214.23, board also includes the board of chiropractic examiners.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [HBV.] "HBV" means the hepatitis B virus with the e antigen present in the most recent blood test.

Subd. 4. [HIV.] "HIV" means the human immunodeficiency virus.

Subd. 5. [REGULATED PERSON.] "Regulated person" means a licensed dental hygienist, dentist, physician, nurse, podiatrist, a registered dental assistant, a physician's assistant, and for purposes of sections 214.18, subdivisions 4 and 5; 214.19, paragraph (a); and 214.23, a chiropractor.

Sec. 11. [214.18] [REPORTING OBLIGATIONS.]

Subdivision 1. [PERMISSION TO REPORT.] A person with actual knowledge that a regulated person has been diagnosed as infected with HIV or HBV may file a report with the commissioner.

Subd. 2. [SELF-REPORTING.] A regulated person who is diagnosed as infected with HIV or HBV shall report that information to the commissioner promptly, and as soon as medically necessary for disease control purposes but no more than 30 days after learning of the diagnosis or 30 days after becoming licensed or registered by the state.

Subd. 3. [MANDATORY REPORTING.] A person or institution required to report HIV or HBV status to the commissioner under Minnesota Rules, parts 4605.7030, subparts 1 to 4 and 6, and 4605.7040, shall, at the same time, notify the commissioner if the person or institution knows that the reported person is a regulated person.

Subd. 4. [INFECTION CONTROL REPORTING.] A regulated person shall, within ten days, report to the appropriate board personal knowledge of a serious failure or a pattern of failure by another regulated person to comply with accepted and prevailing infection control procedures related to the prevention of HIV and HBV transmission. In lieu of reporting to the board, the regulated person may make the report to a designated official of the hospital, nursing home, clinic, or other institution or agency where the failure to comply with accepted and prevailing infection control procedures occurred. The designated official shall report to the appropriate board within 30 days of receiving a report under this subdivision. The report shall include specific information about the response by the institution or agency to the report. A regulated person shall not be discharged or discriminated against for filing a complaint in good faith under this subdivision.

Subd. 5. [IMMUNITY.] A person is immune from civil liability or criminal prosecution for submitting a report in good faith to the commissioner or to a board under this section.

Sec. 12. [214.19] [GROUNDS FOR DISCIPLINARY OR RESTRICTIVE ACTION.]

A board may refuse to grant a license or registration or may impose disciplinary or restrictive action against a regulated person who:

(1) fails to follow accepted and prevailing infection control procedures, including a failure to conform to current recommendations of the Centers for Disease Control for preventing the transmission of HIV and HBV, or fails to comply with infection control rules promulgated by the board. Injury to a patient need not be established;

(2) fails to comply with any requirement of sections 214.16 to 214.23;
or

(3) fails to comply with any monitoring or reporting requirement.

Sec. 13. [214.20] [TEMPORARY SUSPENSION.]

The board may, without hearing, temporarily suspend the right to practice

of a regulated person if the board finds that the regulated person has refused to submit to or comply with monitoring under section 214.22. The suspension shall take effect upon written notice to the regulated person specifying the statute or rule violated. The suspension shall remain in effect until the board issues a final order based on a stipulation or after a hearing. At the time the board issues the suspension notice, the board shall schedule a disciplinary hearing to be held under chapter 14. The regulated person shall be provided with at least 20 days' notice of a hearing held under this section. The hearing shall be scheduled to begin no later than 30 days after the issuance of the suspension order.

Sec. 14. [214.21] [NOTICE; ACTION.]

If the board has reasonable grounds to believe a regulated person infected with HIV or HBV has done or omitted doing any act that would be grounds for disciplinary action under section 214.19, the board may take action after giving notice three business days before the action, or a lesser time if deemed necessary by the board. The board may:

(1) temporarily suspend the regulated person's right to practice under section 214.20;

(2) require the regulated person to appear personally at a conference with representatives of the board and to provide information relating to the regulated person's health or professional practice; and

(3) take any other lesser action deemed necessary by the board for the protection of the public.

Sec. 15. [214.22] [MONITORING.]

Subdivision 1. [COMMISSIONER OF HEALTH.] The board shall enter into a contract with the commissioner to perform the functions in subdivisions 2 and 3. The contract shall provide that:

(1) unless requested to do otherwise by a regulated person, a board shall refer all regulated persons infected with HIV or HBV to the commissioner;

(2) the commissioner may choose to refer any regulated person who is infected with HIV or HBV as well as all information related thereto to the person's board at any time for any reason, including but not limited to: the degree of cooperation and compliance by the regulated person; the inability to secure information or the medical records of the regulated person; or when the facts may present other possible violations of the regulated persons practices act. Upon request of the regulated person who is infected with HIV or HBV the commissioner shall refer the regulated person and all information related thereto to the person's board. Once the commissioner has referred a regulated person to a board, the board may not thereafter submit it to the commissioner to establish a monitoring plan unless the commissioner of health consents in writing;

(3) a board shall not take action on grounds relating solely to the HIV or HBV status of a regulated person until after referral by the commissioner; and

(4) notwithstanding sections 13.39 and 13.41 and chapters 147, 148, 150A, 153, and 214, a board shall forward to the commissioner any information on a regulated person who is infected with HIV or HBV that the department of health requests.

Subd. 2. [MONITORING PLAN.] After receiving a report that a regulated person is infected with HIV or HBV, the board or the commissioner acting on behalf of the board shall evaluate the past and current professional practice of the regulated person to determine whether there has been a violation under section 214.19. After evaluation of the regulated person's past and current professional practice, the board or the commissioner, acting on behalf of the board, shall establish a monitoring plan for the regulated person. The monitoring plan may:

(1) address the scope of a regulated person's professional practice when the board or the commissioner, acting on behalf of the board, determines that the practice constitutes an identifiable risk of transmission of HIV or HBV from the regulated person to the patient;

(2) include the submission of regular reports at a frequency determined by the board or the commissioner, acting on behalf of the board, regarding the regulated person's health status; and

(3) include any other provisions deemed reasonable by the board or the commissioner of health, acting on behalf of the board.

The board or commissioner, acting on behalf of the board, may enter into agreements with qualified persons to perform monitoring on its behalf. The regulated person shall comply with any monitoring plan established under this subdivision.

Subd. 3. [EXPERT REVIEW PANEL.] The board or the commissioner acting on behalf of the board may appoint an expert review panel to assist in the performance of the responsibilities under this section. In consultations with the expert review panel, the commissioner or board shall, to the extent possible, protect the identity of the regulated person. When an expert review panel is appointed, it must contain at least one member appointed by the commissioner and one professional member appointed by the board. The panel shall provide expert assistance to the board, or to the commissioner acting on behalf of the board, in the subjects of infectious diseases, epidemiology, practice techniques used by regulated persons, and other subjects determined by the board or by the commissioner acting on behalf of the board. Members of the expert review panel are subject to those provisions of chapter 13 that restrict the commissioner or the board under this act.

Subd. 4. [IMMUNITY.] Members of the board or the commissioner acting on behalf of the board, and persons who participate on an expert review panel or who assist the board or the commissioner in monitoring the practice of a regulated person, are immune from civil liability or criminal prosecution for any actions, transactions, or publications made in good faith and in execution of, or relating to, their duties under sections 9 to 16 of this act, except that no immunity shall be available for persons who have knowingly violated any provision of chapter 13.

Sec. 16. [214.23] [INSPECTION OF PRACTICE.]

Subdivision 1. [AUTHORITY.] The board is authorized to conduct inspections of the clinical practice of a regulated person to determine whether the regulated person is following accepted and prevailing infection control procedures. The board shall provide at least three business days' notice to the clinical practice prior to the inspection. The clinical practice of a regulated person includes any location where the regulated person practices

that is not an institution licensed and subject to inspection by the commissioner of health. During the course of inspections the privacy and confidentiality of patients and regulated persons shall be maintained. The board may require on license renewal forms that regulated persons inform the board of all locations where they practice.

Subd. 2. [ACCESS; RECORDS.] An inspector from the board shall have access, during reasonable business hours for purposes of inspection, to all areas of the practice setting where patient care is rendered or drugs or instruments are held that come into contact with a patient. An inspector is authorized to interview employees and regulated persons in the performance of an inspection, to observe infection control procedures, test equipment used to sterilize instruments, and to review and copy all relevant records, excluding patient health records. In performing these responsibilities, inspectors shall make reasonable efforts to respect and preserve patient privacy and the privacy of the regulated person. Boards are authorized to conduct joint inspections and to share information obtained under this section. The boards shall contract with the commissioner to perform the duties under this subdivision.

Subd. 3. [BOARD ACTION.] If accepted and prevailing infection control techniques are not being followed, the board may educate the regulated person or take other actions. The board and the inspector shall maintain patient confidentiality in any action resulting from the inspection.

Subd. 4. [RULEMAKING.] A board is authorized to adopt rules setting standards for infection control procedures. Boards shall engage in joint rulemaking. Boards must seek and consider the advice of the commissioner of health before adopting rules. No inspections shall be conducted under this section until after infection control rules have been adopted. Each board is authorized to provide educational information and training to regulated persons regarding infection control. All regulated persons who are employers shall make infection control rules available to employees who engage in functions related to infection control.

Sec. 17. [214.24] [DATA PRIVACY.]

Subdivision 1. [BOARD DATA.] (a) All data collected or maintained as part of the board's duties under sections 214.18, 214.22, and 214.23 shall be classified as investigative data under section 13.39 except that inactive investigative data shall be classified as private data under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, in the case of data not on individuals.

(b) Notwithstanding section 13.05, subdivision 9, data addressed in this subdivision shall not be disclosed except as provided in this subdivision or section 13.04; except that the board may disclose to the commissioner under section 214.22.

Subd. 2. [COMMISSIONER OF HEALTH DATA.] (a) All data collected or maintained as part of the commissioner of health's duties under sections 214.18, 214.22, and 214.23 shall be classified as investigative data under section 13.39, except that inactive investigative data shall be classified as private data under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, in the case of data not on individuals.

(b) Notwithstanding section 13.05, subdivision 9, data addressed in this subdivision shall not be disclosed except as provided in this subdivision or section 13.04; except that the commissioner may disclose to the boards

under section 214.22.

(c) The commissioner may disclose data addressed under this subdivision as necessary: to identify, establish, implement, and enforce a monitoring plan; to investigate a regulated person; to alert persons who may be threatened by illness as evidenced by epidemiologic data; to control or prevent the spread of HIV or HBV disease; or to diminish an imminent threat to the public health.

Sec. 18. [APPROPRIATIONS.]

Subdivision 1. (a) \$ is appropriated from the special revenue fund to the board of medical practice for the purposes of this act to be available until June 30, 1993.

(b) \$ is appropriated from the special revenue fund to the board of dentistry for the purposes of this act to be available until June 30, 1993.

(c) \$ is appropriated from the special revenue fund to the board of nursing for the purposes of this act to be available until June 30, 1993.

(d) \$ is appropriated from the special revenue fund to the board of podiatric medicine for the purposes of this act to be available until June 30, 1993.

(e) \$ is appropriated from the special revenue fund to the board of chiropractic examiners for the purposes of this act to be available until June 30, 1993.

Subd. 2. \$ is appropriated from the special revenue fund to the commissioner of health for purposes of Minnesota Statutes, section 214.22, to be available until June 30, 1993. The boards of medical practice, dentistry, nursing, and podiatric medicine shall increase fees to recover the cost of this appropriation.

Subd. 3. \$ is appropriated from the general fund to the commissioner of health for the purposes of section 2 to be available until June 30, 1993.

Sec. 19. [EFFECTIVE DATE.]

Subdivision 1. Section 11 is effective July 1, 1992.

Subd. 2. All other provisions of this act are effective the day following final enactment."

Amend the title as follows:

Page 1, line 11, after "coding" insert "for new law"

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. 2186 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.
2186	1780				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2186 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2186 and insert the language after the enacting clause of S.F. No. 1780, the first engrossment; further, delete the title of H.F. No. 2186 and insert the title of S.F. No. 1780, the first engrossment.

And when so amended H.F. No. 2186 will be identical to S.F. No. 1780, and further recommends that H.F. No. 2186 be given its second reading and substituted for S.F. No. 1780, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1489 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.
1489	1297				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1489 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1489 and insert the language after the enacting clause of S.F. No. 1297, the first engrossment; further, delete the title of H.F. No. 1489 and insert the title of S.F. No. 1297, the first engrossment.

And when so amended H.F. No. 1489 will be identical to S.F. No. 1297, and further recommends that H.F. No. 1489 be given its second reading and substituted for S.F. No. 1297, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2113 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.
2113	1999				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2113 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2113 and insert the language after the enacting clause of S.F. No. 1999, the first engrossment; further, delete the title of H.F. No. 2113 and insert the title of S.F. No. 1999, the first engrossment.

And when so amended H.F. No. 2113 will be identical to S.F. No. 1999, and further recommends that H.F. No. 2113 be given its second reading and substituted for S.F. No. 1999, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2388 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2388	2170				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2388 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2388 and insert the language after the enacting clause of S.F. No. 2170; further, delete the title of H.F. No. 2388 and insert the title of S.F. No. 2170.

And when so amended H.F. No. 2388 will be identical to S.F. No. 2170, and further recommends that H.F. No. 2388 be given its second reading and substituted for S.F. No. 2170, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1969 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.
				1969	2175

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1969 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1969 and insert the language after the enacting clause of S.F. No. 2175, the first engrossment; further, delete the title of H.F. No. 1969 and insert the title of S.F. No. 2175, the first engrossment.

And when so amended H.F. No. 1969 will be identical to S.F. No. 2175, and further recommends that H.F. No. 1969 be given its second reading and substituted for S.F. No. 2175, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2352 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.
2352	2292				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2352 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2352 and insert the language after the enacting clause of S.F. No. 2292, the first engrossment; further, delete the title of H.F. No. 2352 and insert the title of S.F. No. 2292, the first engrossment.

And when so amended H.F. No. 2352 will be identical to S.F. No. 2292, and further recommends that H.F. No. 2352 be given its second reading and substituted for S.F. No. 2292, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2115 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.
2115	2461				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2115 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2115 and insert the language after the enacting clause of S.F. No. 2461, the first engrossment; further, delete the title of H.F. No. 2115 and insert the title of S.F. No. 2461, the first engrossment.

And when so amended H.F. No. 2115 will be identical to S.F. No. 2461, and further recommends that H.F. No. 2115 be given its second reading and substituted for S.F. No. 2461, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2030 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.
2030	2057				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2030 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2030 and insert the language after the enacting clause of S.F. No. 2057; further, delete the title of H.F. No. 2030 and insert the title of S.F. No. 2057.

And when so amended H.F. No. 2030 will be identical to S.F. No. 2057, and further recommends that H.F. No. 2030 be given its second reading and substituted for S.F. No. 2057, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2732 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.
2732	2660				

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. 1996 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.
1996	2023				

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. 2273 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.
2273	2084				

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. 2683 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.
2683	2467				

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. 2063 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.
2063	1819				

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. 2375 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.
				2375	1770

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. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 1879: A bill for an act relating to workers' compensation; regulating hearings; providing for appointments to the workers' compensation court of appeals; regulating attorney fees; providing penalties; amending Minnesota Statutes 1990, sections 176.081, subdivisions 1, 2, and 3; 176.105, subdivision 1; 176.421, subdivision 1; 176.461; 480B.01, subdivisions 1 and 10; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 176.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 5, lines 6 and 7, delete "*if referred by the commissioner or*"

Page 6, line 7, after the period, insert "*There is no appeal from the order. Any determination by a settlement judge may not be considered as evidence in any other proceeding and the issues decided are not res judicata in any other proceeding.*"

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.

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 2533: A bill for an act relating to human services; establishing a project to enhance the recovery of overpaid benefits; creating administrative fraud disqualification hearings as an optional method for resolving AFDC and food stamp fraud cases; creating a task force to consider and evaluate mechanisms which would allow the administrative determination of overpayments and their docketing as judgments; defining in-kind income in the AFDC and GA programs; authorizing disqualification from the AFDC and food stamp programs based on administrative fraud hearings; creating and authorizing the use of commissioner's subpoenas in investigations involving public assistance programs; establishing the offense defined as assistance transaction card fraud; establishing a pilot project to examine options designed to enhance the recovery of overpayments in assistance programs; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 256.019; 256.12, by adding a subdivision; 256D.02, subdivision 8; and 256D.35, subdivision 11; Minnesota Statutes 1991 Supplement, section 256.98, subdivision 8; 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 3, delete lines 16 to 36

Page 4, delete lines 1 to 7

Page 5, line 14, delete "COMMISSIONER'S" and insert "INVESTIGATORY"

Page 5, line 17, delete "*commissioner of human services*" and insert "*district court*" and after "*subpoena*" insert "*based on probable cause*"

Page 5, line 19, delete everything after "*programs*"

Page 5, line 20, delete everything before the second "*of*"

Page 5, line 21, delete "*that*" and insert "*who*"

And when so amended the bill do pass and be re-referred to the Committee on Finance.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 2533. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No.

2533. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2137, 2048, 589, 1847, 1859, 1856, 394, 2017, 2067 and 2374 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2186, 1489, 2113, 2388, 1969, 2352, 2115, 2030, 2732, 1996, 2273, 2683, 2063 and 2375 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Sams moved that the name of Mr. Morse be added as a co-author to S.F. No. 2728. The motion prevailed.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 132: A Senate resolution congratulating Vince Mehmel on his retirement.

Referred to the Committee on Rules and Administration.

Ms. Johnson, J.B. moved that S.F. No. 589, on General Orders, be stricken and re-referred to the Committee on Finance. 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. 1644: A bill for an act relating to commerce; regulating negotiable instruments; adopting the revised article 3 of the Uniform Commercial Code with conforming amendments to articles 1 and 4 approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws; amending Minnesota Statutes 1990, sections 336.1-201; 336.1-207; 336.4-101; 336.4-102; 336.4-103; 336.4-104; 336.4-105; 336.4-106; 336.4-107; 336.4-108; 336.4-201; 336.4-202; 336.4-203; 336.4-204; 336.4-205; 336.4-206; 336.4-207; 336.4-208; 336.4-209; 336.4-210; 336.4-211; 336.4-212; 336.4-213; 336.4-214; 336.4-301; 336.4-302; 336.4-303; 336.4-401; 336.4-402; 336.4-403; 336.4-404; 336.4-405; 336.4-406; 336.4-407; 336.4-501; 336.4-502; 336.4-503; and 336.4-504; proposing coding for new law in Minnesota Statutes, chapter 336; repealing Minnesota Statutes 1990, sections 336.3-101 to 336.3-805; and 336.4-109.

Was read the third time 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 9, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kroening	Morse	Renneke
Beckman	Frank	Laidig	Neuville	Sams
Berg	Frederickson, D.J.	Langseth	Novak	Samuelson
Berglin	Frederickson, D.R.	Lessard	Olson	Spear
Bernhagen	Gustafson	Luther	Pappas	Stumpf
Bertram	Hottinger	Marty	Pariseau	Traub
Chmielewski	Hughes	McGowan	Piper	Vickerman
Cohen	Johnson, D.E.	Merriam	Pogemiller	Waldorf
Davis	Johnson, J.B.	Metzen	Price	
Dicklich	Johnston	Moe, R.D.	Ranum	
Finn	Kelly	Mondale	Reichgott	

Those who voted in the negative were:

Belanger	Benson, J.E.	Day	Larson	Terwilliger
Benson, D.D.	Brataas	Knaak	Mehrkens	

So the bill passed and its title was agreed to.

S.F. No. 2247: A bill for an act relating to human services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mehrkens	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	Spear
Bernhagen	Gustafson	Larson	Olson	Stumpf
Bertram	Hottinger	Lessard	Pappas	Terwilliger
Chmielewski	Hughes	Luther	Piper	Traub
Cohen	Johnson, D.E.	Marty	Pogemiller	Vickerman
Davis	Johnson, D.J.	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1841: A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by pet dealers; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 6, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Kroening	Moe, R. D.	Reichgott
Belanger	Frank	Laidig	Mondale	Renneke
Benson, D.D.	Frederickson, D.J.	Langseth	Morse	Riveness
Benson, J.E.	Frederickson, D.R.	Larson	Novak	Samuelson
Berglin	Hottinger	Lessard	Olson	Spear
Bernhagen	Hughes	Luther	Pappas	Stumpf
Chmielewski	Johnson, D.E.	Marty	Pariseau	Terwilliger
Cohen	Johnson, D.J.	McGowan	Piper	Traub
Day	Johnson, J.B.	Mehrkens	Pogemiller	Waldorf
Dicklich	Johnston	Merriam	Price	
Finn	Kelly	Metzen	Ranum	

Those who voted in the negative were:

Berg	Davis	DeCramer	Sams	Vickerman
Bertram				

So the bill passed and its title was agreed to.

S.F. No. 2094: A bill for an act relating to the one call excavation notice system; authorizing land surveyors to receive location information related to underground facilities; requiring notice of land surveys; amending Minnesota Statutes 1990, sections 216D.01, subdivision 8, and by adding subdivisions; and 216D.04.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2028: A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkins	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2298: A bill for an act relating to watershed districts; requiring counties to provide public notice prior to making watershed district manager appointments; modifying requirements for appointing watershed district managers; exempting watershed districts from permit fees charged by political subdivisions; requiring watershed district audits by certified public accountants or the state auditor under certain circumstances; clarifying procedures for appealing watershed district decisions; allowing recovery of attorney fees; amending Minnesota Statutes 1990, sections 103D.311, subdivisions 2 and 3; 103D.335, by adding a subdivision; 103D.355, subdivision 1; 103D.535, subdivision 1; and 103D.545, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103D.

Was read the third time 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
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrkins	Price	

So the bill passed and its title was agreed to.

S.F. No. 2299: A bill for an act relating to state trails; providing for the establishment of the Blufflands Trail System; amending Minnesota Statutes 1990, section 85.015, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Moe, R.D.	Renneke
Beckman	Dicklich	Kelly	Mondale	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	Stumpf
Berglin	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bernhagen	Gustafson	Lessard	Pariseau	Traub
Bertram	Hottinger	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Merriam	Ranum	
Day	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1319: A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1991 Supplement, 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 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
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrckens	Price	

So the bill passed and its title was agreed to.

S.F. No. 2383: A bill for an act relating to peace officers; affording qualified federal law enforcement officers the authority of peace officers when assigned to special state and federal task forces; 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	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	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrckens	Price	

So the bill passed and its title was agreed to.

S.F. No. 2088: A bill for an act relating to corporations; making miscellaneous changes in provisions dealing with the organization and operation of nonprofit corporations; amending Minnesota Statutes 1990, sections 317A.011, subdivision 14; 317A.111, subdivision 3; 317A.227; 317A.251, subdivision 3; 317A.255, subdivisions 1, 2, and by adding a subdivision; 317A.341, subdivision 2; 317A.431, subdivision 2; 317A.447; 317A.461; 317A.751, subdivision 3; 317A.821, subdivision 3; and 317A.827, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 317A.821, subdivision 2; 317A.823; and 317A.827, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Kelly	Mondale	Riveness
Belanger	Dicklich	Knaak	Morse	Sams
Benson, D.D.	Finn	Kroening	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Spear
Berg	Frank	Langseth	Olson	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Traub
Bertram	Hottinger	Luther	Piper	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Chmielewski	Johnson, D.E.	Mehrkens	Price	
Cohen	Johnson, D.J.	Merriam	Ranum	
Davis	Johnson, J.B.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1876: A bill for an act relating to occupations and professions; board of medical practice; clarifying requirements for granting medical licenses; amending Minnesota Statutes 1991 Supplement, section 147.03.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 2142: A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending

Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; 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 41 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Lessard	Novak	Riveness
Benson, J.E.	Frederickson, D.J.	Luther	Olson	Sams
Berglin	Hottinger	Marty	Pappas	Spear
Brataas	Hughes	McGowan	Pariseau	Stumpf
Chmielewski	Johnson, D.J.	Mehrkens	Piper	Traub
Cohen	Johnson, J.B.	Metzen	Pogemiller	
DeCramer	Kelly	Moe, R. D.	Price	
Dicklich	Knaak	Mondale	Ranum	
Flynn	Kroening	Morse	Reichgott	

Those who voted in the negative were:

Beckman	Davis	Johnson, D.E.	Neuville	Waldorf
Belanger	Day	Johnston	Renneke	
Berg	Finn	Laidig	Samuelson	
Bernhagen	Frederickson, D.R.	Langseth	Terwilliger	
Bertram	Gustafson	Larson	Vickerman	

So the bill passed and its title was agreed to.

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.

Was read the third time 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
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	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. 2282: A bill for an act relating to state government; regulating administrative rulemaking; providing for corrective legislation; extending the response period that precedes the writing of an administrative law judge's report on rules adopted after public hearing; requiring the attorney general and administrative law judge to disregard harmless errors; regulating notices; amending Minnesota Statutes 1990, sections 3C.04, subdivision 4; 14.115, subdivision 5; 14.15, subdivision 1, and by adding a subdivision; 14.22; 14.26; 14.30; and 14.32.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 1938: A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	DeCramer	Johnston	Mondale	Riveness
Belanger	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Knaak	Neuville	Samuelson
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Brataas	Hottinger	Luther	Pogemiller	Waldorf
Chmielewski	Hughes	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1778: A resolution memorializing Congress to refrain from imposing upon the states' constitutional authority to regulate traffic and motor vehicle safety within their respective boundaries, and specifically, to refrain from mandating the passage of state laws requiring the use of motorcycle helmets, safety belts, and child restraint systems.

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 56 and nays 8, 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	Knaak	Morse	Samuelson
Berg	Flynn	Kroening	Neuville	Stumpf
Berglin	Frank	Laidig	Novak	Terwilliger
Bernhagen	Frederickson, D.J.	Langseth	Olson	Vickerman
Bertram	Frederickson, D.R.	Larson	Pappas	
Brataas	Gustafson	Lessard	Pariseau	
Chmielewski	Hottinger	Luther	Pogemiller	
Cohen	Hughes	McGowan	Price	

Those who voted in the negative were:

Kelly	Merriam	Ranum	Traub	Waldorf
Marty	Piper	Spear		

So the resolution passed and its title was agreed to.

H.F. No. 2397: A bill for an act relating to pipelines; regulating liquefied natural gas facilities; amending Minnesota Statutes 1990, sections 299J.02, subdivisions 12, 13, and by adding subdivisions; 299J.04; 299J.07, subdivision 1; 299J.10; 299J.12, subdivisions 2 and 3; and 299J.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 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	Morse	Sams
Benson, D.D.	Finn	Knaak	Neuville	Samuelson
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Brataas	Hottinger	Luther	Pogemiller	Waldorf
Chmielewski	Hughes	Marty	Price	
Cohen	Johnson, D.E.	McGowan	Ranum	
Davis	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2430: A bill for an act relating to the environment; adding sanctions and procedures relating to petroleum tank release consultants and contractors; amending Minnesota Statutes 1990, sections 115C.02, by adding subdivisions; 115C.03, by adding a subdivision; 116.48, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 115C.

Was read the third time 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
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	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. 2694: A bill for an act relating to courts; authorizing Ramsey county to provide for a single suburban court facility; amending Minnesota Statutes 1990, sections 488A.18, subdivision 10; and 488A.185.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	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
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2368: A bill for an act relating to probate; enacting the uniform transfer on death security registration act; providing for rights of creditors and revocation of beneficiary designation by will; proposing coding for new law in Minnesota Statutes, chapter 524.

Was read the third time 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	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	Spear
Berg	Frank	Laidig	Novak	Stumpf
Berglin	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Luther	Pariseau	Vickerman
Brataas	Hottinger	Marty	Piper	Waldorf
Chmielewski	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 1249: A bill for an act relating to the city of St. Paul; providing certain 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 63 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
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 2728: A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; proposing coding for new law in Minnesota Statutes, chapter 32A.

Was read the third time 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 11, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Johnston	Metzen	Ranum
Beckman	Frank	Kelly	Moe, R.D.	Reichgott
Benson, D.D.	Frederickson, D.J.	Kroening	Mondale	Renneke
Bernhagen	Frederickson, D.R.	Laidig	Morse	Riveness
Bertram	Gustafson	Langseth	Neuville	Sams
Chmielewski	Hottinger	Larson	Novak	Samuelson
Cohen	Hughes	Lessard	Pappas	Stumpf
Davis	Johnson, D.E.	Marty	Piper	Traub
DeCramer	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Dicklich	Johnson, J.B.	Mehrkens	Price	Waldorf

Those who voted in the negative were:

Belanger	Day	Knaak	Merriam	Pariseau
Benson, J.E.	Flynn	Luther	Olson	Spear
Berglin				

So the bill passed and its title was agreed to.

S.F. No. 1805: A bill for an act relating to human services; requiring reporting of legally blind persons to Minnesota state services for the blind and visually handicapped; modifying the duties of the commissioner of jobs and training; removing a council's expiration date; amending Minnesota Statutes 1990, sections 248.07, subdivisions 1 and 5; and 248.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 248.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	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
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2234: A bill for an act relating to occupations and professions; modifying disciplinary requirements of the board of social work; allowing the issuance of practice permits; clarifying requirements for changes in licensure level; providing penalties; amending Minnesota Statutes 1990, sections 148B.04, by adding a subdivision; 148B.15; 148B.18, subdivisions 9 and 12; 148B.21, subdivision 2, and by adding subdivisions; 148B.22, subdivision 2; 148B.27, subdivision 3; 148B.28, subdivision 2; Minnesota Statutes 1991 Supplement, sections 148B.04, subdivision 3; 148B.05, subdivision 1; 148B.07, subdivision 3; 148B.08, subdivision 1, and by adding a subdivision; and 148B.175, subdivisions 3, 4, 5, and 8; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, section 148B.05, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	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	Spear
Berg	Frank	Laidig	Novak	Stumpf
Berglin	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Hottinger	Luther	Piper	
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

Messrs. Samuelson and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1763: A bill for an act relating to state lands; authorizing the conveyance or release of a state easement in Faribault.

Was read the third time 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
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	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. 2628: A bill for an act relating to public safety officers; defining firefighters for purposes of the public safety officer's survivor benefits law; amending Minnesota Statutes 1990, section 299A.41, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Reichgott
Beckman	DeCramer	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	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Terwilliger
Bertram	Gustafson	Luther	Pariseau	Traub
Brataas	Hottinger	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrkens	Price	
Davis	Johnson, J.B.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2037: A bill for an act relating to public employment; requiring the commissioner of the bureau of mediation services to adopt a uniform baseline determination document and a uniform collective bargaining agreement settlement document and to prescribe procedures for the use of these documents; amending Minnesota Statutes 1990, section 179A.04, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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
Berg	Frank	Laidig	Neuville	Samuelson
Berglin	Frederickson, D.J.	Langseth	Novak	Spear
Bernhagen	Frederickson, D.R.	Larson	Olson	Stumpf
Bertram	Gustafson	Lessard	Pappas	Terwilliger
Brataas	Hottinger	Luther	Pariseau	Traub
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	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. 2352: A bill for an act relating to retirement; Austin fire department relief association; authorizing an actuarial assumption change; providing various benefit increases; authorizing board member per diem payments.

Was read the third time 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.	Marty	Ranum
Beckman	Day	Johnson, D.J.	McGowan	Reichgott
Belanger	DeCramer	Johnson, J.B.	Mehrkens	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	Spear
Bernhagen	Frederickson, D.J.	Laidig	Olson	Stumpf
Bertram	Frederickson, D.R.	Langseth	Pariseau	Terwilliger
Brataas	Gustafson	Larson	Piper	Vickerman
Chmielewski	Hottinger	Lessard	Pogemiller	Waldorf
Cohen	Hughes	Luther	Price	

So the bill passed and its title was agreed to.

H.F. No. 2704: A bill for an act relating to state government; increasing the size of the council on Asian-Pacific Minnesotans; providing for representation of various Asian-Pacific communities on the council; amending Minnesota Statutes 1991 Supplement, section 3.9226, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Hottinger	Luther	Piper	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	Waldorf
Cohen	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the 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. 1972, 2319, 2499, 1725, 1728 and H.F. Nos. 2377, 2254, which the committee recommends to pass.

H.F. No. 2465, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Amend H.F. No. 2465, as amended pursuant to Rule 49, adopted by the Senate March 18, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2029.)

Page 1, after line 6, insert:

“Section 1. Minnesota Statutes 1990, section 197.447, is amended to read:

197.447 [VETERAN, DEFINED.]

The word “veteran” as used in Minnesota Statutes, except in sections 136C.13, 196.21, 197.971, and 243.251, means a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, *or who has met the minimum active duty requirement as defined by Code of Federal Regulations, title 38, section 3.12a*, or who has active military service certified under section 401, Public Law Number 95-202. The active military service must be certified by the United States Secretary of Defense as active military service and a discharge under honorable conditions must be issued by the Secretary.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “clarifying the definition of “veteran;””

Page 1, line 4, delete “section” and insert “sections 197.447; and”

The motion prevailed. So the amendment was adopted.

S.F. No. 1755, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 1, delete line 16 and insert:

“This act is effective the day after the board of commissioners of Ramsey county and the city council of the city of White Bear Lake file certificates of approval in compliance with Minnesota Statutes, section 645.021, subdivision 3.”

The motion prevailed. So the amendment was adopted.

S.F. No. 2376, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Pages 3 to 5, delete section 9

Page 5, line 23, after “but” insert “not”

Page 5, delete section 12

Page 5, line 28, delete “11” and insert “10”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything after the second semicolon

Page 1, line 7, delete everything before the second “and”

Page 1, line 11, delete “97C.211;”

Page 1, line 13, delete everything after “2” and insert a period

Page 1, delete line 14

The motion prevailed. So the amendment was adopted.

S.F. No. 2511, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Pages 1 and 2, delete section 2 and insert:

“Sec. 2. [EXCHANGE OF LAND; AITKIN COUNTY.]

(a) Notwithstanding the requirements of Minnesota Statutes, sections 94.341 to 94.348 and 103F.535, and with the approval of the land exchange board, the commissioner of natural resources shall exchange the land described in paragraph (c) for land owned by Thomas Godward, et. al., and described in paragraph (d).

(b) The exchange must be in a form approved by the attorney general after the attorney general has determined, in the manner provided for in Minnesota Statutes, section 94.343, subdivision 9, that the title of the land proposed to be conveyed to the state is good and marketable. The land the state receives must be substantially equal in value to the state land exchanged and any deficiency in value must be paid to the state.

(c) Subject to the provisions of this section, the commissioner shall exchange the property described in this subdivision for the property owned by Thomas Godward, et. al., which is described in paragraph (d).

W1/2 of the NE 1/4 of Section 18-48-26; E1/2 of the SW 1/4 of the SE 1/4 of section 7-48-26; and the W1/2 of the SE 1/4 of section 13-48-27 except the South 66 feet, all in Aitkin county, containing 176 acres, more or less.

(d) Thomas Godward, et. al., may exchange the real property described

in this subdivision for the real property owned by the state and described in paragraph (c).

S1/2 of the NE 1/4, and the SE 1/4 of the NW 1/4 of section 33-48-24, subject to the railroad right of way and less 1 acre (to be specifically described in the deed of conveyance); and the N1/2 of the NW 1/4 of section 22-46-23 all in Aitkin county containing 175 acres, more or less."

The motion prevailed. So the amendment was adopted.

S.F. No. 2389, which the committee recommends to pass with the following amendments offered by Messrs. Morse and Finn:

Mr. Morse moved to amend S.F. No. 2389 as follows:

Page 5, line 12, strike "97C.001" and delete "or"

Pages 8 and 9, delete sections 15 to 17 and insert:

"Sec. 15. Minnesota Statutes 1990, section 97C.001, is amended to read:

97C.001 [EXPERIMENTAL WATERS.]

Subdivision 1. [DEFINITION; DESIGNATION.] (a) *Experimental waters are lakes and streams where special regulations are used and evaluated to meet a specific fisheries objective.*

(b) *The commissioner may designate ~~all or part of a lake or stream~~ any waters of the state having free access to the public as experimental waters. The designated experimental waters may not exceed 100 lakes and 25 streams at one time. ~~Only lakes and streams that have a public access may be designated.~~ For all experimental waters, the commissioner shall develop an evaluation plan and specify a termination date. On the termination date, the commissioner shall vacate or extend the experimental waters designation, or designate the experimental waters as special management waters under section 97C.005. The commissioner shall by rule establish methods and criteria for public initiation of experimental waters designation and for public participation in the evaluation of the waters designated.*

(c) *Designation of experimental waters under this section is not subject to chapter 14.*

Subd. 2. [PUBLIC NOTICE AND MEETING.] (a) *Before the commissioner designates, or vacates or extends the designation of, experimental waters, a public meeting must be held in the county where the largest portion of the ~~lake or stream~~ waters is located.*

(b) *At least ~~seven~~ 90 days before the public meeting and during the open angling season for fish the taking of which is, or is proposed to be, regulated under subdivision 3 on the waters under consideration, notice of the proposed designation, vacation, or extension must be posted at publicly maintained access points on the water.*

(c) *Before the public meeting, notice of the meeting must be published in a ~~legal~~ news release issued by the commissioner and in a newspaper ~~within the counties~~ of general circulation in the area where the ~~lake or stream~~ is proposed experimental waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between 7 and 30 days before the meeting.*

(d) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

(e) If a ~~lake~~ water to be designated ~~has~~ is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.

Subd. 3. [SEASONS, LIMITS, AND RULES OTHER REQUIREMENTS.] The commissioner may, in accordance with the procedures in subdivision 2 or by ~~order~~ rule under chapter 14, establish open seasons, limits, methods, and other ~~rules to take~~ requirements for taking fish on experimental waters.

Sec. 16. Minnesota Statutes 1990, section 97C.005, is amended to read:

97C.005 [SPECIAL MANAGEMENT ~~LAKES~~ WATERS.]

Subdivision 1. [DEFINITION; DESIGNATION.] ~~The commissioner may classify waters~~ (a) Special management waters are waters that:

(1) have been subject to special regulations that have been evaluated and proven effective under an experimental waters designation under section 97C.001; or

(2) are classified by the commissioner for ~~their~~ primary use as trophy lakes, family fishing lakes, designated trout lakes, designated trout streams, special species management lakes, and other designated uses.

(b) The commissioner may designate any waters of the state, including experimental waters, as special management waters. The commissioner shall by rule establish methods and criteria for public participation in the evaluation and designation of waters as special management waters.

(c) Designation of special management waters under this section is not subject to chapter 14.

Subd. 2. [PUBLIC NOTICE AND MEETING.] *(a) Before the commissioner designates special management waters, public comment must be received and, for waters other than those proposed to be designated as trout streams or trout lakes, a public meeting must be held in the county where the largest portion of the waters is located.*

(b) For waters previously designated as experimental waters, a proposed change in status to special management waters must be announced before the public meeting by notice published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. The notice must be published at least once between 30 and 60 days before the public meeting, and at least once between seven and 30 days before the meeting. If a water proposed to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.

(c) For proposed special management waters, other than designated

trout lakes and designated trout streams, that were not previously designated as experimental waters, notice of the proposed designation must be given as provided in this paragraph. The notice must be posted at publicly maintained access points at least 90 days before the public meeting and during the open angling season for fish the taking of which on the waters is proposed to be regulated under subdivision 3. Before the public meeting, notice of the meeting must be published in a news release issued by the commissioner and in a newspaper of general circulation in the area where the proposed special management waters are located. The notice must be published at least once between 30 and 60 days before the meeting, and at least once between seven and 30 days before the meeting. If a water to be designated is a lake with a water area of more than 1,500 acres, or is a stream or river with a reach of more than six miles, a public meeting must also be held in the seven-county metropolitan area.

(d) For waters proposed to be designated as trout streams or trout lakes, notice of the proposed designation must be posted at publicly maintained access points at least 90 days before the effective date of the designation and during the open angling season for fish the taking of which on the waters is proposed to be regulated under subdivision 3. The notice must also be published at least 90 days before the effective date of the designation in a news release issued by the commissioner and in a newspaper of general circulation in the area where the waters are located. In addition, all riparian owners along the waters must be notified at least 90 days before the effective date of the designation.

(e) The notices required in this subdivision must summarize the proposed action, invite public comment, and specify a deadline for the receipt of public comments. The commissioner shall mail a copy of each required notice to persons who have registered their names with the commissioner for this purpose. The commissioner shall consider any public comments received in making a final decision.

Subd. 3. [SEASONS, LIMITS, AND OTHER RULES.] The commissioner may, in accordance with the procedures in subdivision 2, paragraphs (c) and (e), or by rule under chapter 14, establish open seasons, limits, methods, and other requirements for taking fish on special management waters."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Finn moved to amend S.F. No. 2389 as follows:

Page 2, line 2, after "ginseng" insert "roots"

The motion prevailed. So the amendment was adopted.

S.F. No. 2529, which the committee reports progress, subject to the following motions:

Mr. McGowan moved to amend S.F. No. 2529 as follows:

Page 4, after line 25, insert:

"(i) If arbitration is requested under this subdivision, a strike by employees or a lockout by an employer is prohibited unless the employee

in the case of a lockout or the employer in the case of a strike does not comply with the terms of an arbitration order issued under this division."

Page 5, after line 18, insert:

"(d) If arbitration is requested under this subdivision, a strike by employees or a lockout by an employer is prohibited unless the employee in the case of a lockout or the employer in the case of a strike does not comply with the terms of an arbitration order issued under this subdivision."

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 2529 as follows:

Pages 1 to 4, delete section 1

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. 2529 was then progressed.

S.F. No. 2136, which the committee recommends to pass with the following amendment offered by Mr. Mondale:

Page 2, delete sections 2 and 3

Page 2, line 27, delete ", 2, or 2a" and insert "or 2"

Renumber the sections in sequence

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

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. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2166: A bill for an act relating to public employment; providing an early retirement incentive for certain public employees; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, after "(2)" insert "(i)"

Page 2, line 4, delete ", or" and insert "; or (ii) has"

Page 2, line 7, after the semicolon, insert "*or (iii) has at least 25 years of service credit in the public pension plan that the person is a member of on the day before retirement;*"

Page 2, after line 12, insert:

"During the biennium ending June 30, 1993, an executive branch state agency may not hire a replacement for a person who retires under this subdivision, except under conditions specified by the commissioner of finance, the commissioner of employee relations, the chancellor of the state university system, and the chancellor of the community college system."

Page 2, line 14, delete "school"

Page 2, line 15, delete "district," and insert "*joint vocational technical district formed under Minnesota Statutes, sections 136C.60 to 136C.69,*" and after "state" insert "*may, and the governing body of a school district*"

Page 2, line 23, after "retirement" insert "*; or in the case of a teacher has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these groups*"

Page 2, after line 30, insert:

"An employer that pays for insurance under this subdivision may not exclude any eligible employees."

Page 3, line 18, delete "obligates," and delete ", or otherwise affects"

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. 2337: A bill for an act relating to human services; providing for medical assistance coverage of home health services delivered in a facility under certain circumstances; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing foster care providers to deliver personal care services if monitored; defining responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; requiring cost effectiveness of services to be considered; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivisions 6a and 19a; and 256B.0627, subdivisions 1, 4, 5, and 6.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 26, reinstate the stricken language

Page 3, line 35, after "persons" insert "*who, as of April 1, 1992, are*"

Page 5, line 15, strike "adult"

Page 9, line 17, strike "they require" and insert "*the care required is difficult to perform and requires more time than community-based standards allow or the recipient's condition or treatment requires more training or skill than would ordinarily be required and the recipient needs or has one*"

or more of the following”

Page 9, line 24, strike “or”

Page 9, after line 24, insert:

“(G) quadriplegia; or”

Page 9, line 25, strike “(G)” and insert “(H)”

Page 11, strike lines 26 to 30 and insert “*Providers may request a temporary authorization for home care services by telephone. The commissioner may approve a temporary level of home care services based on the assessment and care plan information provided by an appropriately licensed nurse. Authorization for a temporary level of home care services is limited to the time specified by the commissioner, but shall not exceed 30 days. The level of services authorized under this provision shall have no bearing on a future prior authorization.*”

Page 12, lines 19 and 20, delete the new language and insert “*the recipient's foster placement made the placement prior to April 1, 1992, requests that home care services be provided, and case management is provided as required in section 256B.0625, subdivision 19a*”

Page 12, line 23, after “*services*” insert “*unless the costs of home care services and waived services are combined and managed under the waiver program*”

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2337 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Hottinger, Davis, Dicklich, DeCramer and Morse introduced—

S.F. No. 2775: A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Mses. Flynn, Pappas, Ranum, Messrs. Mondale and Vickerman introduced—

S.F. No. 2776: A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter

290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Frank, Waldorf, Kroening, Metzen and Cohen introduced—

S.F. No. 2777: A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin, Messrs. Chmielewski, Stumpf, Frederickson, D.J. and Kelly introduced—

S.F. No. 2778: A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Halberg was excused from the Session of today. Messrs. Moe, R.D. and Pogemiller were excused from the Session of today at 3:00 p.m. Mr. Dahl was excused from the Session of today from 12:00 noon to 3:00 p.m. Mr. Solon was excused from the Session of today from 12:00 noon to 3:15 p.m. Mses. Berglin, Piper and Mr. Benson, D.D. were excused from the Session of today from 1:30 to 2:00 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 12:00 noon, Friday, March 27, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-SIXTH DAY

St. Paul, Minnesota, Friday, March 27, 1992

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. Bruce D. Christie.

The roll was called, and the following Senators answered to their names:

Adkins	Davis	Johnson, D.J.	Merriam	Ranum
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	DeCramer	Johnston	Moe, R. D.	Renneke
Benson, D.D.	Dicklich	Kelly	Mondale	Riveness
Benson, J.E.	Finn	Knaak	Morse	Sans
Berg	Flynn	Kroening	Neuville	Samuelson
Berglin	Frank	Laidig	Novak	Solon
Bernhagen	Frederickson, D.J.	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

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. 2307.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1992

Mr. President:

I have the honor to announce that the House accedes to the request of the Senate for the return of House File No. 1818 for further consideration.

H.F. No. 1818: A bill for an act relating to local government; authorizing

mail balloting for certain municipalities; amending Minnesota Statutes 1990, sections 204B.45, subdivisions 1 and 2; and 365.51, subdivision 1.

House File No. 1818 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 26, 1992

Mr. Moe, R.D. moved that H.F. No. 1818 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. 2608, 2707 and 1903.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1992

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2608: A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1649, now on General Orders.

H.F. No. 2707: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county, and the exchange of certain state-owned lands in Aitkin county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2511, now on the Calendar.

H.F. No. 1903: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

Mr. Moe, R.D. moved that H.F. No. 1903 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of S.F. No. 1965 and reports pertaining to appointments. The motion prevailed.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2603: A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 43A.316, by adding a subdivision; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62E.11, by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; and 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A; 62A; 62E; 62J; 136A; 137; 144; 144A; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 33, delete "state" and insert "Minnesota"

Page 1, after line 34, insert:

"Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health."

Page 1, line 35, delete "3" and insert "4"

Page 2, line 5, after "defined" insert "in rules adopted" and delete "state health care commission" and insert "commissioner"

Page 2, line 14, delete "4" and insert "5"

Page 2, lines 17 and 18, delete "state commission" and insert "commissioner"

Page 2, line 21, delete "The state health"

Page 2, delete line 22

Page 2, line 23, delete everything before "The" and delete "commission" and insert "commissioner of health"

Page 2, line 31, delete "state health care commission" and insert "commissioner"

Page 2, line 34, delete "commission" and insert "commissioner"

Page 3, line 1, delete "state commission" and insert "commissioner"

Page 3, line 2, delete "commission" and insert "commissioner"

Page 3, line 4, after the period, insert "The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other individuals and organizations, except with the permission of the affected individual or organization."

Subd. 3. [COST CONTAINMENT DUTIES.] After obtaining the advice

and recommendations of the Minnesota health care commission, the commissioner shall:

(1) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions for purposes of setting regional spending limits and coordinating regional health care systems;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop uniform billing forms, uniform electronic billing procedures, and other uniform claims procedures for health care providers by January 1, 1993;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice standards;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate centers of excellence for specialized and high-cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;

(10) administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services;

(11) administer the health care analysis unit under article 7; and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Subd. 4. [CONSULTATION WITH THE COMMISSION.] Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide

advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

Subd. 5. [APPEALS.] A person or organization may appeal a decision of the commissioner through a contested case proceeding under chapter 14.

Subd. 6. [RULEMAKING.] The commissioner shall adopt rules under chapter 14 to implement this chapter."

Page 3, line 5, delete "3" and insert "7"

Page 3, line 6, before "commission" insert "Minnesota health care"

Page 5, line 1, delete "set" and insert "make recommendations to the commissioner of health and the legislature regarding"

Page 5, line 2, delete "undertake"

Page 5, line 7, before "health" insert "Minnesota"

Page 5, line 8, delete "25" and insert "24"

Page 5, line 10, delete "their" and insert "the member's"

Page 5, delete lines 35 and 36 and insert:

“(f) [EMPLOYEE UNIONS.] The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.”

Page 6, delete lines 1 and 2

Page 6, line 4, delete "health,"

Page 6, line 5, delete everything after the period

Page 6, delete lines 6 to 11

Page 6, delete lines 14 to 36

Page 7, delete lines 1 to 14 and insert:

“Subd. 3. [CONFLICTS OF INTEREST.] No member of the commission may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the commission member has a direct financial interest in the outcome of the commission's proceedings.

Subd. 4. [IMMUNITY FROM LIABILITY.] Members of the commission and persons employed by the commissioner are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter, provided the members or persons are acting in good faith.”

Page 7, delete lines 20 to 26

Renumber the subdivisions in sequence

Page 7, line 28, delete "services" and insert "service"

Page 7, line 34, delete "implementation of this chapter, the" and before "state" insert "commissioner of health, the"

Page 8, line 8, delete "state" and insert "commissioner of health and the Minnesota"

Page 8, line 9, delete “*its*” and insert “*their*”

Page 8, lines 17 and 29, delete “*state commission*” and insert “*commissioner*”

Page 8, line 22, delete “*commission*” and insert “*commissioner*”

Page 8, line 35, delete “*their*” and insert “*the member's*”

Page 9, delete lines 22 and 23 and insert:

“(e) [EMPLOYEE UNIONS.] *Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.*”

Page 9, line 29, delete “*members*” and insert “*member*”

Page 10, line 25, delete “*state*” and insert “*Minnesota*”

Page 10, line 34, delete everything after the comma and insert “*and make findings and recommendations regarding*”

Page 10, line 35, delete “*on*”

Page 10, line 36, delete “*set*” and insert “*recommend to the commissioner of health and the regional boards*”

Page 11, line 3, delete “*designate*” and insert “*make recommendations to the commissioner regarding the designation of*”

Page 11, line 5, delete “*set*” and insert “*make recommendations to the commissioner regarding*”

Page 11, delete lines 8 to 11 and insert:

“Sec. 7. [62J.17] [TEMPORARY MORATORIUM ON MAJOR CAPITAL EXPENDITURES AND THE INTRODUCTION OF NEW SPECIALIZED SERVICES; EXCEPTIONS.]

Subdivision 1. [PURPOSE.] To ensure access to affordable health care services for all Minnesotans it is necessary to restrain the rate of growth in health care costs. An important factor contributing to escalating costs is the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending limits are established under section 2, providers, patients, and communities will have the opportunity to decide for themselves whether they can afford capital expenditures or new equipment or specialized services within the constraints of a spending limit. In this environment, the state's role in reviewing these spending commitments can be more limited. However, during the interim period until spending limits are established, it is important to prevent unrestrained major spending commitments that will contribute further to the escalation of health care costs and make future cost containment efforts more difficult. In addition, it is essential to protect against the possibility that the legislature's expression of its attempt to control health care costs may lead a provider to make major spending commitments before limits or other cost containment constraints are fully implemented because the provider recognizes that the spending commitment may not be considered appropriate, needed, or affordable within the context of a fixed budget for health care spending. Therefore, the legislature finds that a restrictive temporary moratorium on major health care spending commitments is necessary.

Subd. 2. [DEFINITIONS.] For purposes of this section, the terms defined

in this subdivision have the meanings given.

(a) [CAPITAL EXPENDITURE.] "*Capital expenditure*" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.

(b) [HEALTH CARE SERVICE.] "*Health care service*" means:

(1) a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and

(2) a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.

"Health care service" does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

(c) [MAJOR SPENDING COMMITMENT.] "*Major spending commitment*" means:

(1) acquisition of a unit of medical equipment costing more than \$250,000;

(2) a capital expenditure of over \$300,000 for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;

(3) offering a new specialized service not offered before with projected operating costs of over \$150,000 a year;

(4) spending over \$300,000 on planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4) with a combined total cost of more than \$300,000.

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

(d) [MEDICAL EQUIPMENT.] "*Medical equipment*" means fixed and movable equipment that is used by a provider in the provision of a health care service. "*Medical equipment*" includes, but is not limited to, the following:

(1) an extracorporeal shock wave lithotripter;

(2) a computerized axial tomography (CAT) scanner;

(3) a magnetic resonance imaging (MRI) unit;

(4) a positron emission tomography (PET) scanner; and

(5) emergency and nonemergency medical transportation equipment and vehicles.

(e) [NEW SPECIALIZED SERVICE.] "*New specialized service*" means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:

(1) cardiac catheterization services involving high-risk patients as defined

in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;

(2) heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;

(3) megavoltage radiation therapy;

(4) open heart surgery;

(5) neonatal intensive care services; and

(6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration.

(f) [PROVIDER.] "Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.

Subd. 3. [MORATORIUM.] No provider may make a major spending commitment involving the provision of health care services between May 1, 1992, and July 1, 1993, except as allowed under this section.

Subd. 4. [EXCEPTIONS.] A provider may make a major spending commitment authorized under this subdivision after filing a notice with the commissioner and providing supporting documentation and evidence requested by the commissioner that demonstrates that the spending commitment qualifies for an exception under this subdivision. The commissioner shall make a decision on a completed application for an exception by August 1, 1992, or 60 days after an application is submitted, whichever is later. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care capital expenditures to review applications and make recommendations to the commissioner and the commission.

(a) [SUBSTANTIAL STEPS TAKEN BEFORE APRIL 1, 1992.] A provider may make a major spending commitment if the provider entered into a contract prior to April 1, 1992, which binds the provider to the spending commitment, or if the provider can prove through contemporaneous documents that the provider took substantial steps toward the spending commitment prior to April 1, 1992. For purposes of this paragraph, "substantial steps" means the provider completed a feasibility study or acquisition plan, obtained preliminary approval from persons responsible for approving the spending commitment, and set in motion a process that would reasonably be expected to lead to making the spending commitment by August 1, 1992.

(b) [REPLACEMENT.] A provider may make a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state. A provider may make a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(c) [ACQUISITIONS AND MERGERS.] This section does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(d) [COST EFFECTIVE SPENDING COMMITMENTS.] *A provider may make a major spending commitment if, in the judgment of the commissioner, the major spending commitment will, over a five-year period, produce a net savings to health care purchasers.*

(e) [RESEARCH AND TEACHING.] *A major spending commitment may be made by a public research and teaching institution or a national referral center described in section 144.551, subdivision 1, paragraph (b), clause (1), for conducting research or clinical trials or for health care education and training purposes.*

(f) [NATIONAL REFERRAL CENTERS.] *A major spending commitment may be made by a provider if the provider demonstrates that at least 40 percent of the patients who will benefit from and pay for the capital expenditure, equipment purchase, or new specialized service are residents of another state.*

(g) [APPROVED EXCEPTIONS TO THE NURSING HOME MORATORIUM.] *A major spending commitment may be made by a nursing home if approval has been granted under section 144A.073 or the nursing home has obtained legislation authorizing the project.*

Subd. 5. [HARDSHIP EXCEPTIONS.] (a) *The commission may approve hardship exceptions to the moratorium on major spending commitments if the proposed major spending commitment satisfies all of the criteria in this subdivision.*

(b) *No hardship exception may be approved under this subdivision unless the provider demonstrates that delaying the major spending commitment until July 1, 1993, or later will cause significant and clearly identifiable access problems for patients who would derive a significant benefit as a direct result of the major spending commitment and that the proposed spending commitment is the least costly alternative that will effectively address the access problem.*

(c) *Major spending commitments involving equipment or new specialized services must satisfy the following criteria in addition to the criteria in paragraph (b):*

(1) *the equipment or specialized service has been clearly demonstrated by research and clinical trials to be effective and beneficial;*

(2) *the spending commitment will make available equipment or specialized services that are not currently available within 50 miles of the site of the equipment or new service;*

(3) *the need for the equipment or specialized service within the area from which the provider normally draws patients is clearly sufficient to justify the major spending commitment without drawing patients away from existing providers who already offer the service or equipment in the area; and*

(4) *the provider has or can easily acquire the necessary technical expertise, resources, and support to make effective use of the new equipment or service.*

Subd. 6. [BURDEN OF PROOF.] *A provider seeking an exception to the moratorium on major spending commitments under subdivision 4 or 5 bears the burden of providing evidence and documentation in the form required by the commissioner that establishes that the provider qualifies for an exception under subdivision 4 or meets the criteria for approval under subdivision*

5.

Subd. 7. [RULEMAKING.] The commissioner is exempt from the rule-making requirements of chapter 14 for purposes of implementing this section.

Subd. 8. [APPEALS.] A provider may appeal a decision of the commissioner under this section through a contested case proceeding under chapter 14.

Subd. 9. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED.] Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071.

Subd. 10. [SEVERABILITY IF REVIEW PROCESS CHALLENGED.] The legislature intends that, if the hardship exception review process in subdivision 4 is enjoined or invalidated by a court, the moratorium in subdivision 3 is severable from the exception review process and must be construed to stand alone without a process for approving exceptions.

Subd. 11. [REPORT AND RECOMMENDATIONS.] The Minnesota health care commission, in consultation with the health planning advisory committee and regional coordinating boards, shall submit recommendations to the legislature by January 15, 1993, for a permanent strategy to ensure that major spending commitments are appropriate in terms of the accessibility, affordability, and quality of health care in Minnesota."

Page 11, lines 13 and 29, delete "health care commission" and insert "commissioner of health"

Page 12, line 2, delete "commission's" and insert "commissioner's"

Page 12, lines 23 and 24, delete "state commission and the regional boards" and insert "commissioner"

Page 12, line 32, delete "commission" and insert "commissioner"

Page 13, lines 2 and 3, delete "health care commission" and insert "commissioner"

Page 13, line 17, delete "Minnesota health care commission" and insert "commissioner"

Page 13, lines 20 and 36, delete "state commission" and insert "commissioner"

Page 13, line 21, delete "to allow the state to sanction" and insert "for sanctioning"

Page 13, line 31, delete "state"

Page 13, line 34, delete "state commission or a regional board" and insert "commissioner"

Re-number the sections of article 1 in sequence

Page 53, delete section 1 and insert:

"Section 1. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 11. [NAME.] Effective July 1, 1993, the name of the public employees insurance plan shall be the pooled employers insurance program. The pooled employers insurance program, as described in section 43A.317, is a continuation and expansion of the public employees insurance plan.

Sec. 2. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 12. [ELIGIBILITY AND COVERAGE.] Notwithstanding any contrary provision of section 43A.317, any group enrolled in the public employees insurance plan for a term extending beyond June 30, 1993, will become covered by the pooled employers insurance program pursuant to the terms of their participation agreement with the public employees insurance plan. The commissioner of employee relations may provide such a group the option to convert to alternative coverage if available through the pooled employers insurance program. Upon the expiration of their participating agreement with the public employees insurance plan, the group may enroll in the pooled employers insurance program under section 43A.317, provided the group continues to meet the eligibility criteria that existed on June 30, 1993.

Sec. 3. Minnesota Statutes 1990, section 43A.316, is amended by adding a subdivision to read:

Subd. 13. [TRUST FUND.] Effective July 1, 1993, all assets and obligations of the public employees insurance trust fund are transferred to the pooled employers insurance trust fund, as described in section 43A.317, subdivision 9.

Sec. 4. [43A.317] [POOLED EMPLOYERS INSURANCE PROGRAM.]

Subdivision 1. [INTENT.] The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(c) [ELIGIBLE EMPLOYEE.] "Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.

(d) [ELIGIBLE EMPLOYER.] "Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) [ELIGIBLE INDIVIDUAL.] "Eligible individual" means a person eligible to participate in the program under the terms described in subdivision 6.

(f) [EMPLOYEE.] "Employee" means a common law employee of an eligible employer.

(g) [EMPLOYER.] "Employer" means a public or private person, firm, corporation, partnership, association, unit of local government, or other entity actively engaged in business or public services. "Employer" includes both for-profit and nonprofit entities.

(h) [PROGRAM.] "Program" means the pooled employers insurance program created by this section.

(i) [PUBLIC EMPLOYER.] "Public employer" means an employer within the definition of section 179A.03, subdivision 15, that is a town, county, city, or school district as defined in section 120.02; educational cooperative

service unit as defined in section 123.58; intermediate district as defined in section 136C.02, subdivision 7; cooperative center for vocational education as defined in section 123.351; regional management information center as defined in section 121.935; an education unit organized under a joint powers action under section 471.59; or another public employer approved by the commissioner.

Subd. 3. [ADMINISTRATION.] The commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner's contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee is governed by sections 15.014 and 15.059, and continues to exist while the program remains in operation.

Subd. 5. [EMPLOYER ELIGIBILITY.] (a) [PROCEDURES.] All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) [TERM.] The initial term of an employer's coverage will be two years from the effective date of the employer's application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.

(c) [MINNESOTA WORK FORCE.] An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) [PRIVATE EMPLOYER.] A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.

(f) [MINIMUM PARTICIPATION.] The commissioner may require as a

condition of employer eligibility that: (1) a minimum percentage of eligible employees are covered through the program; and (2) the employer makes a minimum level of contribution toward the cost of coverage.

(g) [EMPLOYER CONTRIBUTION.] The commissioner may require as a condition of employer eligibility that the employer contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) [ENROLLMENT CAP.] The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. [INDIVIDUAL ELIGIBILITY.] (a) [PROCEDURES.] The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) [EMPLOYEES.] An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) [OTHER INDIVIDUALS.] An employer may elect to cover under its plan:

(1) the spouse, dependent children, and dependent grandchildren of a covered employee;

(2) a retiree who is eligible to receive a pension or annuity from the employer, and a covered retiree's spouse, dependent children, and dependent grandchildren;

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria must provide that new employees become eligible for coverage after a probationary period of at least 30 days, but no more than 90 days. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2.

(d) [WAIVER AND LATE ENTRANCE.] An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 20.

(e) [CONTINUATION COVERAGE.] Continuation coverage is available through the program for all qualified beneficiaries as may be required by

state and federal law.

Subd. 7. [COVERAGE.] Coverage is available through the program beginning on July 1, 1993. At least annually, the commissioner shall solicit bids from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. To the extent feasible, the commissioner shall provide coverage through contracts with carriers.

(a) [HEALTH COVERAGE.] Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage.

(b) [OPTIONAL COVERAGES.] In addition to offering health coverage, the commissioner may arrange to offer life, dental, and disability coverage through the program. Employers with health coverage may choose to offer one or more of these optional coverages according to the terms established by the commissioner. Life and disability insurance may be offered only to public employers.

(c) [OPEN ENROLLMENT.] The program must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.

(d) [TECHNICAL ASSISTANCE.] The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.33.

Subd. 8. [PREMIUMS.] (a) [PAYMENTS.] Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.

(b) [RATING METHOD.] The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods may exclude from premiums all or part of the costs for state administration and for maintenance of a premium stability and claim fluctuation reserve, provided that the commissioner shall incorporate these costs into premium as permitted by the size and stability of the program.

(c) [TAX STATUS.] Premiums paid to or by the program are exempt from the tax imposed by sections 60A.15 and 60A.198.

Subd. 9. [POOLED EMPLOYERS INSURANCE TRUST FUND.] (a) [CONTENTS.] The pooled employer insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.

(b) [APPROPRIATION.] All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.

(c) [RESERVES.] *For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves: (1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and (2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997. The commissioner shall repay direct appropriations provided to establish a reserve for the program when the commissioner of finance determines that a sufficient reserve has accumulated to allow repayment.*

(d) [INVESTMENTS.] *The state board of investment shall invest money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.*

Subd. 10. [PROGRAM STATUS.] The pooled employers insurance program is a state program to provide the advantages of a large pool for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program and, where applicable, the employers enrolled in it do not constitute insurance within the meaning of state law and are not subject to chapters 60A, 62A, 62C, 62D, 62E, 62H, and 62L, section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.

Subd. 11. [EVALUATION.] The commissioner shall report to the legislature on December 15, 1995, concerning the success of the program in fulfilling the intent of the legislature."

Page 59, after line 11, insert:

"Sec. 12. [62A.022] [UNIFORM CLAIMS FORMS AND BILLING PRACTICES.]

By January 1, 1993, the commissioner of commerce, in consultation with the commissioners of health and human services, shall establish and require uniform claims forms and uniform billing and record keeping practices applicable to all policies of accident and health insurance, group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, if issued or renewed to provide coverage to Minnesota residents."

Page 67, line 3, before "Minnesota" insert "(a)"

Page 67, after line 4, insert:

"(b) Minnesota Statutes 1990, section 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; and Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9, are repealed effective July 1, 1993."

Page 67, line 6, delete "9" and insert "13" and delete "2 to 8, 10" and insert "5 to 11, 14"

Page 67, line 7, delete "13, and 18" and insert "17, and 22" and delete "11, 15, 16" and insert "15, 19, 20"

Page 67, line 8, delete "17" and insert "21"

Renumber the sections of article 3 in sequence

Page 78, line 34, delete "*individuals*" and insert "*members*"

Page 79, line 30, delete everything after the period

Page 79, delete line 31

Page 83, delete section 7 and insert:

"Sec. 7. [SPECIAL STUDIES.]

(a) The commissioner of health, through the office of rural health, shall:

(1) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by January 15, 1994; and

(2) 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 January 1, 1993.

(b) The commissioner of administration, through the statewide telecommunications access routing program and its advisory council, and in cooperation with the commissioner of health and the rural health advisory committee, shall investigate and develop recommendations regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery. The commissioner of administration shall report findings and recommendations to the legislature by January 15, 1994."

Page 91, lines 22 and 23, delete "*state health care commission*" and insert "*commissioner of health, in consultation with the Minnesota health care commission,*"

Page 91, line 27, delete "*commission*" and insert "*commissioner*"

Page 94, lines 18, 22, 31, and 36, delete "*commission*" and insert "*commissioner*"

Page 97, line 15, delete "*unit*" and insert "*commissioner*" and after "*may*" insert "*appoint peer review panels and*"

Page 97, line 18, delete "*unit*" and insert "*commissioner*"

Page 97, line 23, delete "*shall*" and insert "*must*" and delete "*if*" and insert "*whether*"

Page 97, line 33, delete "*commission*" and insert "*commissioner*"

Page 98, line 7, delete "*is governed by section 15.059*" and insert "*expires upon the submission of its recommendations*"

Page 101, line 19, delete "*commission*" and insert "*commissioner of health and the Minnesota health care commission*"

Page 118, line 5, delete "*Notwithstanding any other law to the contrary,*"

Page 124, delete lines 38 and 39

Amend the title as follows:

Page 1, line 10, delete "a"

Page 1, line 11, delete "subdivision" and insert "subdivisions"

Page 1, line 20, after "16A;" insert "43A;"

Page 1, line 23, after "sections" insert "43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10;"

Page 1, line 24, before the period, insert "; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 850: A bill for an act relating to commerce; providing a computerized system for notification of security interests in farm products; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 336A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [336A.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this chapter.

Subd. 2. [BUYER IN THE ORDINARY COURSE OF BUSINESS.] "Buyer in the ordinary course of business" means a person who, in the ordinary course of business, buys farm products from a person engaged in farming operations who is in the business of selling farm products.

Subd. 3. [COMMISSION MERCHANT.] "Commission merchant" means a person engaged in the business of receiving a farm product for sale on commission or for or on behalf of another person.

Subd. 4. [COMPUTERIZED FILING SYSTEM.] "Computerized filing system" means the system created under section 336.9-411 with separate programs for filing and giving notice of effective financing statements and farm products statutory liens.

Subd. 5. [EFFECTIVE FINANCING STATEMENT.] "Effective financing statement" means an original or reproduced copy of an original statement that meets the requirements of section 3.

Subd. 6. [FARM PRODUCT.] "Farm product" means an agricultural commodity, a species of livestock used or produced in farming operations, or a product of a crop or the livestock in its unmanufactured state, that is in the possession of a person engaged in farming operations.

Subd. 7. [FARM PRODUCT DEALER.] "Farm product dealer" means a buyer in the ordinary course of business, a commission merchant, or a selling agent.

Subd. 8. [FARM PRODUCTS STATUTORY LIEN.] "Farm products statutory lien" means a lien on farm products which is given by statute or other rule of law for services or materials.

Subd. 9. [FILING OFFICE.] "Filing office" means the office of the county

recorder or the office of the secretary of state.

Subd. 10. [FILING OFFICER.] "Filing officer" means a county recorder, the secretary of state, or an agent of a county recorder or the secretary of state authorized to accept filings.

Subd. 11. [LIEN NOTICE.] "Lien notice" means an original or reproduced copy of an original statement that meets the requirements of section 3.

Subd. 12. [PERSON.] "Person" means an individual, partnership, corporation, trust, or other business entity.

Subd. 13. [SECURITY INTEREST.] "Security interest" means an interest in farm products that secures payment or performance of an obligation.

Subd. 14. [SELLING AGENT.] "Selling agent" means a person, other than a commission merchant, who is engaged in the business of negotiating the sale and purchase of a farm product on behalf of a person engaged in farming operations.

Sec. 2. [336A.02] [SPECIFICATION OF FARM PRODUCTS.]

The secretary of state shall, by rule, determine which specific farm products will be included in the computerized filing and notification system. Consideration shall be given to the value of the product sold within the state and its marketing system.

Sec. 3. [336A.03] [CONTENTS OF FINANCING STATEMENT OR LIEN NOTICE.]

Subdivision 1. [SUBSTANTIAL COMPLIANCE.] An effective financing statement or lien notice must substantially comply with this section but may contain minor errors that are not seriously misleading.

Subd. 2. [CONTENTS.] (a) An effective financing statement or lien notice must contain:

(1) a description of the farm products subject to the security interest or farm products statutory lien, including the amount of the farm products, if applicable, and a reasonable description of the location of the property, including the county, where the farm products are located;

(2) the name and address of the secured party or the person entitled to the farm products statutory lien;

(3) the name and address of the debtor;

(4) in the case of an effective financing statement, the social security number of the debtor, or, if the debtor is doing business other than as an individual, the United States Internal Revenue Service taxpayer identification number of the debtor;

(5) in the case of an effective financing statement, the following statement with the appropriate blank checked:

"THIS EFFECTIVE FINANCING STATEMENT WILL WILL NOT BE TERMINATED WITHIN 30 DAYS OF THE DATE ON WHICH THE OBLIGATION(S) IT SECURES NO LONGER EXIST." ; and

(6) in the case of a lien notice, any payment obligations imposed on the buyer, commission merchant, or selling agent as a condition for waiver or release of the farm products statutory lien.

(b) An effective financing statement or lien notice for one or more debtors may cover more than one farm product located in more than one county.

(c) The effective financing statement form and lien notice may not be combined with a Uniform Commercial Code financing statement form.

(d) An effective financing statement must contain the following statement, all in capital letters:

"THE INFORMATION CONTAINED IN THIS EFFECTIVE FINANCING STATEMENT WILL BE SENT TO FARM PRODUCT BUYERS REGISTERED IN MINNESOTA. SALE OF FARM PRODUCTS TO THOSE BUYERS MAY RESULT IN A CHECK BEING ISSUED PAYABLE JOINTLY TO BOTH THE SELLER AND THE SECURED PARTY."

Subd. 3. [SIGNATURES.] A lien notice must be signed by the lienholder. An effective financing statement must be signed by:

- (1) the secured party; and*
- (2) the debtor.*

Subd. 4. [REQUIRED AMENDMENTS.] An effective financing statement or lien notice must be amended in writing within three months after material changes occur to reflect the material changes. The amendment to an effective financing statement or a lien statement must be signed and filed in the same manner required for the original document.

Subd. 5. [EFFECTIVE PERIOD.] (a) An effective financing statement is effective for five years from the date of filing. The effective period may be extended for additional periods of five years as provided in section 6.

(b) An effective financing statement is not effective after:

(1) the effective financing statement lapses on the expiration of the effective period; or

(2) a notice that the effective financing statement is terminated is signed by the secured party and filed in the filing office where the original effective financing statement is filed.

(c) A lien notice is not effective after:

- (1) five years from the date of filing;*
- (2) expiration of the period for commencing an action to enforce the lien under applicable Minnesota law; or*
- (3) the obligation secured by the statutory lien no longer exists.*

Sec. 4. [336A.04] [FILING EFFECTIVE FINANCING STATEMENT OR LIEN NOTICE.]

Subdivision 1. [FILING LOCATION.] An effective financing statement or lien notice must be filed in the office of the secretary of state or the county recorder in the county of the debtor's residence if the debtor is an individual or organization with residence in this state. If the debtor is not a resident of this state, the effective financing statement or lien notice must be filed in the office of the secretary of state.

Subd. 2. [EFFECTIVE FILING.] Presentation of an effective financing statement or lien notice with the appropriate filing fee to a filing officer or acceptance of the statement by a filing officer constitutes filing under this chapter.

Subd. 3. [FEES.] (a) The fee for filing and indexing a standard form for a lien notice, effective financing statement, amendment, or continuation statement, and stamping the date and place of filing on a copy of the filed document furnished by the filing party is \$10 when a single debtor name is listed. If more than one debtor's name is listed on a standard form, the fee is \$17. If one debtor's name is listed on a nonstandard effective filing statement, assignment or continuation statement, or a nonstandard lien notice or assignment of a lien notice, the fee is \$13. If more than one debtor's name is listed on a nonstandard form, the fee is \$20.

(b) The fee for filing an amendment on the standard form that does not add debtors' names to the lien notice or effective financing statement is \$10. If a nonstandard form is used, the fee is \$13. The fee for an amendment that adds debtors' names is \$17 if a standard form is used or \$20 if a nonstandard form is used. The fee for filing a partial release is \$10 if a standard form is used or \$13 if a nonstandard form is used.

(c) A fee may not be charged for filing a termination statement if the termination is filed within 30 days after satisfaction of the lien or security interest. Otherwise, the fee is \$10.

(d) A county recorder shall forward \$5 of each filing fee collected under this subdivision to the secretary of state by the 15th of the month following the end of each fiscal quarter. The balance of the filing fees collected by a county recorder must be deposited in the general fund of the county.

Subd. 4. [FILING PROCEDURE.] (a) The filing officer shall mark the effective financing statement or lien notice with a consecutive file number and the date and hour of filing.

(b) The filing office shall maintain the original filed document or a microfilm or other photographic copy of the filed document for public inspection as provided in rule by the secretary of state.

(c) The filing office shall index filed documents according to the file number of the document.

Subd. 5. [ENTERING FILING INFORMATION INTO COMPUTERIZED FILING SYSTEM.] Each filing office shall enter the information from the filed documents into the computerized filing system as prescribed by the secretary of state.

The secretary of state shall record lien notices in the computerized filing system in a manner that separately identifies all farm products statutory liens, and shall ensure that the computerized filing and notification system distinguishes security interests covered by effective financing statements from liens covered by lien notices to the extent required by United States Code, title 7, section 1631, et seq., and regulations adopted under those sections.

Subd. 6. [VERIFICATION OF INFORMATION.] A person who has filed an effective financing statement or lien notice may verify the accuracy of the information entered into the computerized filing system and compiled into the master list by making an inquiry under section 9. The secretary of state shall establish a procedure for requesting an inquiry to verify the accuracy of the information at the time of filing.

Sec. 5. [336A.05] [EFFECT OF FILING ON PERFECTION AND PRIORITY.]

Filing under this chapter does not affect the perfection or priority of security interests filed under the Uniform Commercial Code or a farm products statutory lien filed in accordance with the provisions of law under which it was created.

Sec. 6. [336A.06] [CONTINUATION STATEMENT.]

Subdivision 1. [FILING PERIOD.] A secured party may file a continuation statement for an effective financing statement within six months before a five-year effective period expires.

Subd. 2. [CONTENTS.] A continuation statement must:

- (1) be signed by the secured party and the debtor;*
- (2) identify the original effective financing statement by file number; and*
- (3) state that the original effective financing statement is still effective.*

Subd. 3. [EFFECTIVE PERIOD.] If a continuation statement is filed within six months before a five-year effective period expires, the effectiveness of the original effective financing statement continues for an additional five years after the original five-year effective period. Additional continuation statements filed within six months before an effective period expires continue the effectiveness of the original effective financing statement for additional five-year periods.

Subd. 4. [FILING.] The continuation statement must be filed in the filing office where the original effective financing statement is filed.

Sec. 7. [336A.07] [TERMINATION STATEMENTS.]

Subdivision 1. [REQUIREMENT.] (a) If required in an effective financing statement, a secured party shall within 30 days file a lien termination statement and termination statement for the effective financing statement when:

- (1) an outstanding secured obligation does not exist; and*
- (2) a written commitment to make advances, incur obligations, or otherwise give value does not exist.*

(b) A lienholder shall file a termination statement with respect to a lien notice within 30 days after an outstanding lien notice obligation no longer exists.

Subd. 2. [CONTENTS.] A lien termination statement and termination statement for the effective financing statement must:

- (1) state the file number of the effective financing statement or lien notice;*
- (2) state the date on which the lien or security interest was satisfied;*
- (3) state that the secured party does not claim a security interest under the effective financing statement or that the lienholder does not claim a lien under the lien notice; and*
- (4) be signed by the secured party or lienholder.*

Subd. 3. [FILING.] A termination statement for an effective financing statement must be filed by the secured party in the filing office where the original effective financing statement is filed. A termination statement for the lien notice must be filed by the lienholder in the same manner required for filing the lien notice.

Subd. 4. [FAILURE TO FILE.] If the secured party or lienholder fails to file a termination statement as required by subdivision 1, or within ten days after a debtor serves a written demand for the termination statement if the conditions in subdivision 1 exist, the secured party or lienholder is liable to the debtor for \$100 plus any loss caused to the debtor by failing to file the termination statement. For the second and each subsequent time a secured party or lienholder is found liable to a debtor under this subdivision in any one calendar year, the secured party or lienholder is liable to the debtor for \$250 plus any loss caused to the debtor.

Subd. 5. [FILING PROCEDURES.] (a) When a termination statement is filed, each filing office must delete the information from the active files as prescribed by the secretary of state.

(b) If the termination statement is filed in duplicate, the filing office shall return one copy of the termination statement, stamped to show the time of receipt, to the secured party or lienholder.

Sec. 8. [336A.08] [MASTER LIST.]

Subdivision 1. [COMPILATION.] (a) The secretary of state shall compile the information on effective financing statements in the computerized filing system into a master list:

(1) organized according to farm product;

(2) arranged within each product:

(i) in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors;

(ii) in numerical order according to the social security number of the individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors;

(iii) geographically by county; and

(iv) by crop year; and

(3) containing the information provided on an effective financing statement.

(b) The secretary of state shall compile information from lien notices recorded in the computerized filing system into a statutory lien master list in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors. The secretary of state may also organize the statutory lien master list according to one or more of the categories of information established in paragraph (a).

Subd. 2. [REMOVAL OF EFFECTIVE FINANCING STATEMENTS AND LIEN NOTICES.] The secretary of state shall remove lapsed and terminated effective financing statements and lien notices from the computerized filing system before preparing master lists.

Subd. 3. [REQUEST FOR PARTIAL MASTER LIST.] If requested by a buyer registered under section 11, the secretary of state shall distribute partial master lists to the buyer that are limited to one or more of the categories in subdivision 1, paragraph (a).

Subd. 4. [DISTRIBUTION OF MASTER AND PARTIAL LISTS.] (a) The secretary of state shall maintain the information on the effective financing statement master list:

(1) by farm product arranged alphabetically by debtor; and

(2) by farm product arranged numerically by the debtor's social security number for an individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors.

(b) The secretary of state shall maintain the information in the farm products statutory lien master list by county arranged alphabetically by debtor.

(c) The secretary of state shall distribute the requested master and partial master lists on a monthly basis to farm product dealers registered under section 11. The secretary of state may, by rule, establish that lists of certain farm products must be distributed more frequently.

(d) The secretary of state shall, by rule, establish:

(1) dates when the distribution of lists will be made;

(2) dates after which a filing of an effective financing statement or lien notice will not be reflected on the next lists distributed; and

(3) dates by which a registrant must complete a registration to receive the next list distributed.

(e) The secretary of state shall make the master and partial master lists available as written or printed paper documents and may make lists available in other forms or media, including:

(1) microfiche;

(2) magnetic tape;

(3) electronically transmitted medium; or

(4) computer disk.

(f) There shall be no fee for partial or master lists distributed on microfiche, magnetic tape, electronically transmitted medium, computer disk, or comparable media.

(g) At the request of a farm product dealer registered under section 11, the secretary of state shall deliver lists at cost by certified or registered mail, return receipt requested.

Sec. 9. [336A.09] [INQUIRIES.]

Subdivision 1. [PROCEDURE.] (a) Oral and written inquiries regarding information provided by the filing of effective financing statements or lien notices may be made at any filing office during regular business hours.

(b) A filing office receiving an oral or written inquiry shall, upon request, provide an oral or facsimile response to the inquiry and must mail a confirmation of the inquiry in writing by the end of the next business day after the inquiry is received.

(c) A filing office shall maintain a record of inquiries made under this section including:

(1) the date of the inquiry;

(2) the name of the debtor inquired about; and

(3) identification of the person making the request for inquiry.

Subd. 2. [SEARCHES; FEES.] (a) If a person makes a request, the filing officer shall conduct a search of the computerized filing system for effective financing statements or lien notices and statements of assignment, continuation, amendment, and partial release of a particular debtor. The filing officer shall report the date, time, and results of the search by issuing:

(1) a certificate listing the file number, date, and hour of each effective financing statement found in the search and the names and addresses of each secured party on the effective financing statements or of each lien notice found in the search and the names and address of each lienholder on the lien notice;

(2) photocopies of the original effective financing statement or lien notice documents on file; or

(3) upon request, both the certificate and photocopies of the effective financing statements or lien notices.

(b) The uniform fee for conducting a search and for preparing a certificate showing up to five listed filings or for preparing up to five photocopies of original documents, or any combination of up to five listed filings and photocopies, is \$10 per debtor name if the request is in the standard form prescribed by the secretary of state and otherwise is \$13 per debtor name. An additional fee of 50 cents must be charged for each listed filing and for each photocopy prepared in excess of the first five. If an oral or facsimile response is requested, there is an additional fee of \$5 per debtor.

(c) A county recorder shall forward \$3 of each search fee collected under this subdivision to the secretary of state by the 15th of the month following each fiscal quarter. The balance of the search fees collected by a county recorder must be deposited in the general fund of the county.

Sec. 10. [336A.10] [LIABILITY FOR INFORMATION ERRORS.]

Except as provided in sections 609.87 to 609.891, the state, the secretary of state, counties, county recorders, and their employees and agents are immune from liability as a result of errors or omissions in information supplied under this chapter.

Sec. 11. [336A.11] [REGISTRATION OF FARM PRODUCT DEALERS.]

Subdivision 1. [REQUIREMENTS.] Farm product dealers may register with the secretary of state to receive master lists of notices of security interests in farm products or farm products statutory liens. Registration must be made on an annual calendar year basis. A registration is not complete until the registration form is properly completed and received by the secretary of state and accompanied by the registration fee. Registration entitles a farm product dealer to receive lists for those farm products specified by the registrant at the time of registration.

Subd. 2. [REGISTRATION FORMS.] The secretary of state shall make registration forms available to farm product dealers. The secretary of state must also make registration forms available to the commissioner of agriculture for distribution to applicants for licensure under section 17A.04 or 223.17. The registration form must include provisions for the name and address of the farm product dealer, a request for the master or partial master

lists, and the medium on which the farm product dealer desires to receive the master list.

Subd. 3. [REGISTRATION FEE.] The annual registration fee for farm product dealers is \$25.

Subd. 4. [RECORD OF REGISTERED FARM PRODUCT DEALERS.] The secretary of state shall maintain a record of the registered farm product dealers and the lists and contents of the lists received by the registered farm product dealers for a period of five years after the lists are distributed.

Sec. 12. [336A.12] [RULES.]

Subdivision 1. [AUTHORITY.] (a) The secretary of state may adopt permanent rules to implement this chapter.

(b) If necessary to obtain federal certification of the computerized filing system, additional or alternative requirements made in conformity with United States Code, title 7, section 1631, may be adopted by the secretary of state by rule.

Subd. 2. [FORMS.] The secretary of state shall prescribe forms to be used for effective financing statements, lien notices, combined forms, amendments, continuation statements, termination statements, and notices to debtors.

Sec. 13. [336A.13] [RECEIPT OF WRITTEN NOTICE.]

For purposes of United States Code, title 7, section 1631, and this chapter, receipt of written notice means the date the notice is actually received by a farm product dealer or the first date that delivery is attempted by a carrier. A farm product dealer must act in good faith. A farm product dealer is presumed to have received the notice by five business days after it was mailed unless by ten days after it was mailed the farm product dealer notifies the secretary of state in writing that it has not received the notice by that time.

Sec. 14. [336A.14] [RESTRICTED USE OF INFORMATION.]

Information obtained from the seller of a farm product relative to the social security number or tax identification number of the true owner of the farm product and all information obtained from the master or limited list may not be used for purposes that are not related to: (1) purchase of a farm product; (2) taking a security interest against a farm product; or (3) perfecting a farm product statutory lien.

Sec. 15. [336A.15] [BUYERS TAKING FREE OF AND SUBJECT TO FARM PRODUCTS STATUTORY LIENS.]

Subdivision 1. [TAKING FREE OF LIEN.] Except as provided in subdivision 2, and notwithstanding other law or rule to the contrary, a buyer in the ordinary course of business who buys farm products from a seller engaged in farming operations takes free of a farm products statutory lien applicable to the purchased farm products even though the farm products statutory lien is perfected and the buyer knows the lien exists.

Subd. 2. [TAKING SUBJECT TO LIEN.] A buyer in the ordinary course of business of farm products takes subject to a farm products statutory lien applicable to the purchased farm products if the lienholder has perfected the farm products statutory lien and:

(1) the buyer has failed to register with the secretary of state as provided

in section 11; or

(2) the buyer has registered with the secretary of state as provided in section 11, the buyer receives a notice from the secretary of state specifying that the seller and the farm products being sold are subject to a lien notice, and the buyer fails to secure a waiver or release of the farm products statutory lien specified in the lien notice by making a payment, satisfying an obligation, or otherwise.

Sec. 16. [336A.16] [COMMISSION MERCHANTS AND SELLING AGENTS SUBJECT TO FARM PRODUCTS STATUTORY LIEN.]

Subdivision 1. [SELLING NOT SUBJECT TO LIEN.] Except as provided in subdivision 2, and notwithstanding other law or rule to the contrary, a commission merchant or selling agent who sells farm products for others is not subject to a farm products statutory lien even though the farm products statutory lien is perfected and the commission merchant or selling agent knows the lien exists.

Subd. 2. [SELLING SUBJECT TO LIEN.] A commission merchant or selling agent selling farm products for another person is subject to a farm product statutory lien applicable to the purchased farm products if the lienholder has perfected the farm products statutory lien and:

(1) the commission merchant or selling agent has failed to register with the secretary of state as provided in section 11; or

(2) the commission merchant or selling agent has registered with the secretary of state as provided in section 11, the commission merchant or selling agent receives a notice from the secretary of state specifying that the seller and the farm products being sold are subject to a lien notice, and the commission merchant or selling agent fails to secure a waiver or release of the farm products statutory lien specified in the lien notice by making a payment, satisfying an obligation, or otherwise.

Sec. 17. [336A.17] [FARM PRODUCTS FILING ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The farm products filing account is established as an account in the state treasury. Money received by the secretary of state under this chapter must be deposited in the state treasury and credited to the farm products filing account.

Subd. 2. [APPROPRIATION.] Money in the farm products filing account is continuously appropriated to the secretary of state.

Sec. 18. [APPLICATION FOR CERTIFICATION.]

The secretary of state shall apply to the secretary of the United States Department of Agriculture for certification of the computerized filing system.

Sec. 19. [MULTIPLE PAYEE DISPUTES; STUDY, REPORT, AND RECOMMENDATION.]

Not later than February 1, 1993, the commissioner of commerce shall report to the legislature on the findings of a study concerning problems arising out of disputes as to the allocation of proceeds among multiple payees on bank drafts for the purchase of farm products. The commissioner shall include findings regarding the extent of such problems, current formal and informal methods used to resolve such disputes, and recommendations, as appropriate, for eliminating or minimizing such disputes.

Sec. 20. [APPROPRIATION.]

Subdivision 1. [FARM PRODUCTS FILING ACCOUNT.] § is appropriated from the general fund for transfer to the farm products filing account for implementation and maintenance of the computerized farm products filing and notification system to be available until expended.

Subd. 2. [COMPLEMENT.] The approved complement of the office of the secretary of state is increased by persons.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07, are repealed.

Sec. 22. [EFFECTIVE DATE.]

This act is effective the day after final enactment except that the provisions relating to the computerized farm product filing and notification system are not effective until the secretary of state notifies the public and the filing officers that the computerized system is operational. The secretary of state shall give notice of the computerized system being operational at least 30 days before the operational date. The operational date shall be no earlier than January 1, 1993."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for a central computerized filing system for effective financing statements and farm products statutory lien notices; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 336A; repealing Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Frank from the Committee on Metropolitan Affairs, to which was referred

S.F. No. 2510: A bill for an act relating to transportation; providing for final design and construction of light rail transit by the commissioner of transportation; amending Minnesota Statutes 1990, sections 174.32, subdivisions 2 and 3; 222.50, subdivision 7; 398A.04, by adding a subdivision; 473.167, subdivision 1; 473.384, subdivision 2; 473.399, subdivisions 1 and 3; 473.3994, subdivisions 2, 3, 4, 5, and 7; 473.3996; and 473.4051; Minnesota Statutes 1991 Supplement, sections 117.57, subdivision 3; 398A.04, subdivision 8; and 473.3997; Laws 1991, chapter 291, article 4, section 20; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; Minnesota Statutes 1991 Supplement, section 473.3998.

Reports the 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 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] ~~(a)~~ The transit assistance fund receives money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and

20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. ~~Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area; by the commissioner of transportation as provided in paragraph (b).~~

~~(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall submit the applications to the regional transit board for approval. The commissioner may distribute funds only with the approval of the board. Before approving any application for funds for construction, the board shall report to the legislature on the use and planned distribution of construction funds.~~

Sec. 2. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may exercise the powers granted in this chapter and chapter 473, as necessary, to plan, design, acquire, construct, and equip light rail transit facilities in the metropolitan area as defined in section 473.121, subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 473.167, subdivision 1, is amended to read:

Subdivision 1. [CONTROLLED ACCESS HIGHWAYS; AND TRANSIT FIXED-GUIDEWAYS; COUNCIL APPROVAL.] Before acquiring land for or constructing a controlled access highway or transit fixed-guideway in the area, the state transportation department or local government unit proposing the acquisition or construction shall submit to the council a statement describing the proposed project. The statement must be in the form and detail required by the council. Immediately upon receipt of the statement, the council shall transmit a copy to the regional transit board, which shall review and evaluate the project in relationship to the board's implementation plan and report its recommendations and comments to the council. The council shall also review the statement to ascertain its consistency with its policy plan and the development guide. No project may be undertaken unless the council determines that it is consistent with the policy plan and implementation plan. This approval is in addition to the requirements of any other statute, ordinance or rule.

Sec. 4. Minnesota Statutes 1990, section 473.399, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] (a) The transit board shall adopt a regional light rail transit plan; ~~as provided in this section~~ *part of the implementation plan pursuant to section 473.161*, to ensure that light rail transit facilities in the metropolitan area will be acquired, developed, owned, and capable of operation in an efficient, cost-effective, and coordinated manner as an integrated and unified system on a multicounty basis in coordination with buses and other transportation modes and facilities. To the extent practicable, the board shall incorporate into its plan appropriate elements of the plans of regional railroad authorities in order to avoid

duplication of effort.

(b) The regional plan required by this section must be adopted by the board before ~~any regional railroad authority~~ *the commissioner of transportation* may begin construction of light rail transit facilities and before ~~any authority is eligible for state financial assistance~~ *the commissioner may expend funds appropriated or obtained through bonding* for constructing light rail transit facilities. Following adoption of the regional plan, each regional railroad authority or ~~other developer of light rail transit in the metropolitan area~~ *and the commissioner of transportation* shall act in conformity with the plan. ~~Each authority or proposer~~ *The commissioner* shall prepare or amend ~~its comprehensive plan and preliminary~~ *and the final design plans* as necessary to make the plans consistent with the regional plan.

(c) Throughout the development and implementation of the plan, the board shall contract for or otherwise obtain engineering services to assure that the plan adequately addresses the technical aspects of light rail transit.

Sec. 5. Minnesota Statutes 1990, section 473.3994, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC HEARING.] Before ~~preparing~~ *final design plans are prepared* for a light rail transit facility, the ~~political subdivision proposing the facility~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* must hold a public hearing on the physical design component of the preliminary design plans. The ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* 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.

Sec. 6. Minnesota Statutes 1990, section 473.3994, subdivision 3, is amended to read:

Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the ~~proposer~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* 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~~ *commissioner of transportation, and the regional railroad authority or authorities in whose jurisdiction the line or lines are located.*

Sec. 7. Minnesota Statutes 1990, section 473.3994, subdivision 4, is amended to read:

Subd. 4. [PRELIMINARY DESIGN PLANS; REGIONAL TRANSIT

BOARD METROPOLITAN COUNCIL REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under subdivision 3, the ~~proposer commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located~~ may refer the plans, along with any comments of local jurisdictions, to the ~~regional transit board metropolitan council~~. The ~~board council~~ shall hold a hearing on the plans, giving the ~~proposer commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located~~, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The ~~board council~~ 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 council~~ shall review the plans submitted by the ~~proposer commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located~~ and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Sec. 8. Minnesota Statutes 1990, section 473.3994, subdivision 5, is amended to read:

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the ~~proposer commissioner~~ shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the ~~proposer commissioner~~.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the ~~proposer commissioner~~ may refer the plans, along with any comments of local jurisdictions, to the ~~regional transit board metropolitan council~~. The ~~board council~~ shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Sec. 9. Minnesota Statutes 1990, section 473.3994, subdivision 6, is amended to read:

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area must 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.~~

Sec. 10. Minnesota Statutes 1990, section 473.3994, subdivision 7, is amended to read:

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, a ~~regional rail authority established under chapter~~

~~398A~~ *the commissioner must submit preliminary and final design plans to the metropolitan council. The council must review the plans for consistency with the council's development guide and ~~comment on~~ approve the plans.*

Sec. 11. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 10. [CORRIDOR MANAGEMENT COMMITTEE.] A corridor management committee shall be established to advise the commissioner of transportation in the design and construction of light rail transit in each corridor to be constructed. The corridor management committee shall consist of the members of the light rail transit joint powers board established pursuant to section 473.3998 and one representative from each city in which the corridor is located. Additionally, the commissioner of transportation, the chair of the metropolitan council, the chair of the regional transit board, and the chair of the metropolitan transit commission shall each appoint a member to the committee. For the corridor between Minneapolis and St. Paul, the University of Minnesota shall appoint one member to the committee. The member representing the regional transit board shall chair the committee.

The corridor management committee shall advise the commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located on issues relating to the alternatives analysis, environmental review, preliminary design, preliminary engineering, final design, implementation method, and construction of light rail transit.

Sec. 12. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 11. [REGIONAL RAILROAD AUTHORITY REVIEW.] The commissioner must submit to each regional rail authority in which the corridor is located, for review and approval, the following:

- (1) preliminary design and preliminary engineering plans; and*
- (2) final design plans.*

The commissioner must submit major contract changes during construction to each regional rail authority in which the corridor is located for review and comment.

Sec. 13. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 12. [ALTERNATIVES ANALYSIS; ENVIRONMENTAL REVIEW.] For light rail transit lines to be constructed in the metropolitan area, the regional railroad authority or authorities in whose jurisdiction a line or lines are to be constructed and the commissioner of transportation shall jointly prepare an alternatives analysis, the environmental review documents required, and the preliminary engineering plan. The council must approve the design for the alternatives analysis and the completed alternatives analysis. The department of transportation shall be the responsible governmental unit.

Sec. 14. Minnesota Statutes 1990, section 473.3994, is amended by adding a subdivision to read:

Subd. 13. [DISPUTE RESOLUTION.] In the event of a dispute between

any of the parties arising from the parties' respective authority and responsibility under this section or section 473.3998, the dispute shall be submitted to the metropolitan council for final resolution by any party to the dispute. The metropolitan council shall establish by July 1, 1992, a process to ensure a prompt and speedy resolution of the dispute. This process shall allow the parties to provide evidence and testimony in support of their positions.

Sec. 15. 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 PLANS.] 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~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located* shall submit preliminary design 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 handicapped accessibility, and the conformity of the plans with the regional light rail transit plan prepared under section 473.399. 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~~ *commissioner of transportation and the regional railroad authority or authorities in whose jurisdiction the line or lines are located*. 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.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the ~~proposer~~ *commissioner of transportation* shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same schedule and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. ~~A proposer~~ *The commissioner* may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. Following approval of final design plans by the board, if a ~~regional railroad authority~~ *the commissioner* 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~~ *commissioner* may not proceed with construction until ~~the commissioner~~ *the commissioner* 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~~ *commissioner*.

Sec. 16. Minnesota Statutes 1991 Supplement, section 473.3997, is amended to read:

473.3997 [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]

~~By July 1, 1992:~~ (a) The regional transit board, ~~the regional rail authorities,~~ and the commissioner of transportation, ~~and the affected regional rail authorities~~ shall ~~jointly~~ prepare ~~any~~ 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, ~~the rail authorities,~~ 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) is submitted, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction.~~

Sec. 17. Minnesota Statutes 1991 Supplement, section 473.3998, is amended to read:

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~~ *consisting of one* 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.*

The board shall review and approve light rail transit system standards to be used by the commissioner in designing and building a light rail transit facility and shall review and approve the plan for community involvement and the marketing program. The board shall advise the corridor management committee established pursuant to section 473.3994, subdivision 10, and the commissioner on the method of implementation. All members of the board shall be members of the corridor management committee established pursuant to section 473.3994, subdivision 10.

Sec. 18. Minnesota Statutes 1990, section 473.4051, is amended to read:

473.4051 [LIGHT RAIL TRANSIT OPERATION.]

The transit commission shall operate ~~regional railroad authority~~ light rail transit facilities and services upon completion of construction of the facilities and the commencement of revenue service using the facilities. ~~The regional railroad authority commissioner of transportation~~ and the commission may not allow the commencement of revenue service until after an appropriate period of acceptance testing to ensure satisfactory performance. In assuming the operation of the system, the transit commission must comply with section 473.415. The commission shall coordinate operation of the light rail transit system with bus service to avoid duplication of service on a route served by light rail transit and to ensure the widest possible access to light rail transit lines in both suburban and urban areas by means of a feeder bus system. ~~If the regional plan prepared by the transit board under section 473.399 calls for construction and operation of light rail transit facilities in a jurisdiction~~

~~whose governing body has chosen not to organize and proceed under chapter 398A; the board may authorize the transit commission to implement the plan in that area.~~

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, sections 473.399, subdivisions 2 and 3; and 473.3991, are repealed.

Laws 1991, chapter 291, article 4, section 20, is repealed.

Sec. 20. [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 transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; amending Minnesota Statutes 1990, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.399, subdivision 1; 473.3994, subdivisions 2, 3, 4, 5, 6, 7, and by adding subdivisions; 473.3996; 473.4051; Minnesota Statutes 1991 Supplement, sections 473.3997; and 473.3998; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 473.399, subdivisions 2 and 3; 473.3991; and Laws 1991, chapter 291, article 4, section 20."

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. 2743: A bill for an act relating to insurance; Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1991 Supplement, sections 62E.10, subdivision 9; and 62E.12.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six

months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage.

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured.

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages.

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium.

(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance.

(2) if suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) the policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended.

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program.

(h) No issuer of Medicare supplement policies, *including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq.*, in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B.

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for ~~similar~~

benefits to the extent the time was spent under the original policy.

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; ~~and~~.

(k) The policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or non-renew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

(l) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

(m) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost-sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with the changes.

As soon as practicable, but no later than 30 days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificate holders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the commissioner. Such notice shall:

(1) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate; and

(2) inform each policyholder or certificate holder as to when any premium adjustment is to be made, due to changes in Medicare.

The notice of benefit modifications and any premium adjustments must be in outline form and in clear and simple terms so as to facilitate comprehension.

The notices must not contain or be accompanied by any solicitation.

(n) Termination by an issuer of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss that began while the policy or certificate was in force, but the extension of benefits beyond the period during which the policy or certificate was in force may be conditioned on the continuous total disability of the insured, limited to the duration of the policy or certificate benefit period, if any, or payment of the maximum

benefits. The extension of benefits does not apply when the termination is based on fraud, misrepresentation, or nonpayment of premium. An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the commissioner in writing its decision at least 30 days before discontinuing the availability of the form of the policy or certificate. An issuer that discontinues the availability of a policy form or certificate shall not file for approval a new policy form or certificate form of the same type for the same Medicare supplement benefit plan as the discontinued form for five years after the issuer provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate. The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this section. A change in the rating structure or methodology shall be considered a discontinuance under this section unless the issuer complies with the following requirements:

(1) the issuer provides an actuarial memorandum, in a form and manner prescribed by the commissioner, describing the manner in which the revised rating methodology and resulting rates differ from the existing rating methodology and resulting rates; and

(2) the issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The commissioner may approve a change to the differential that is in the public interest.

(o)(1) Except as provided in clause (2), the Minnesota experience of all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in section 62A.36. For purposes of this section, a basic Medicare supplement plan and optional riders to the basic form offered by the issuer are one form;

(2) forms assumed under an assumption reinsurance agreement shall not be combined with the Minnesota experience of other forms for purposes of the refund or credit calculation.

(p) Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy or certificate, and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder's age. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy or certificate, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy or certificate after the date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy or certificate shall require a signed acceptance by the insured. After the date of policy or certificate issue, a rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy or certificate term shall be agreed to in writing and signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies or if the increased benefits or coverage is required by law. Where a separate

additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy, declaration page, or certificate. If a Medicare supplement policy or certificate contains limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as "preexisting condition limitations."

Issuers of accident and sickness policies or certificates that provide hospital or medical expense coverage on an expense incurred or indemnity basis, other than incidentally, to a person eligible for Medicare by reason of age shall provide to such applicants a Medicare Supplement Buyer's Guide in the form developed by the Health Care Financing Administration and in a type size no smaller than 12-point type. Delivery of the Buyer's Guide must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this section. Except in the case of direct response issuers, delivery of the Buyer's Guide must be made to the applicant at the time of application, and acknowledgment of receipt of the Buyer's Guide must be obtained by the issuer. Direct response issuers shall deliver the Buyer's Guide to the applicant upon request, but no later than the time at which the policy is delivered.

(q)(1) An issuer, directly or through its producers, shall:

(i) establish marketing procedures to ensure that a comparison of policies by its agents or other producers will be fair and accurate;

(ii) establish marketing procedures to ensure that excessive insurance is not sold or issued;

(iii) establish marketing procedures that set forth a mechanism or formula for determining whether a replacement policy or certificate contains benefits clearly and substantially greater than the benefits under the replaced policy or certificate;

(iv) display prominently by type or other appropriate means, on the first page of the policy or certificate, the following:

"Notice to buyer: This policy or certificate may not cover all of your medical expenses";

(v) inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of the insurance;

(vi) establish auditable procedures for verifying compliance with this paragraph;

(2) in addition to the practices prohibited in chapter 72A, the following acts and practices are prohibited:

(i) knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or issuers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance with another insurer;

(ii) employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance;

(iii) making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company;

(3) the terms "Medicare supplement," "medigap," and words of similar import shall not be used unless the policy or certificate is issued in compliance with this subdivision.

(r) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells coverage that supplements Medicare coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no coverage that supplements Medicare or that is governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this paragraph.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

- (1) actuarially valid differences in benefit designs or provider networks;
- (2) geographic variations in rates if preapproved by the commissioner of commerce; and
- (3) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce.

Sec. 2. Minnesota Statutes 1990, section 62A.31, is amended by adding a subdivision to read:

Subd. 3. [DEFINITIONS.] (a) "Accident," "accidental injury," or "accidental means" means to employ "result" language and does not include words that establish an accidental means test or use words such as "external," "violent," "visible wounds," or similar words of description or characterization.

(1) The definition shall not be more restrictive than the following: "Injury or injuries for which benefits are provided means accidental bodily injury sustained by the insured person which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force."

(2) The definition may provide that injuries shall not include injuries for which benefits are provided or available under a workers' compensation, employer's liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

(b) "Applicant" means:

(1) in the case of an individual Medicare supplement policy or certificate, the person who seeks to contract for insurance benefits; and

(2) in the case of a group Medicare supplement policy or certificate, the

proposed certificate holder.

(c) *“Benefit period” or “Medicare benefit period” shall not be defined more restrictively than as defined in the Medicare program.*

(d) *“Certificate” means a certificate delivered or issued for delivery in this state or offered to a resident of this state under a group Medicare supplement policy or certificate.*

(e) *“Certificate form” means the form on which the certificate is delivered or issued for delivery by the issuer.*

(f) *“Convalescent nursing home,” “extended care facility,” or “skilled nursing facility” shall not be defined more restrictively than as defined in the Medicare program.*

(g) *“Health care expenses” means expenses of health maintenance organizations associated with the delivery of health care services which are analogous to incurred losses of insurers. The expenses shall not include:*

- (1) home office and overhead costs;*
- (2) advertising costs;*
- (3) commissions and other acquisition costs;*
- (4) taxes;*
- (5) capital costs;*
- (6) administrative costs; and*
- (7) claims processing costs.*

(h) *“Hospital” may be defined in relation to its status, facilities, and available services or to reflect its accreditation by the joint commission on accreditation of hospitals, but not more restrictively than as defined in the Medicare program.*

(i) *“Issuer” includes insurance companies, fraternal benefit societies, health care service plans, health maintenance organizations, and any other entity delivering or issuing for delivery Medicare supplement policies or certificates in this state or offering these policies or certificates to residents of this state.*

(j) *“Medicare” shall be defined in the policy and certificate. Medicare may be defined as the Health Insurance for the Aged Act, title XVIII of the Social Security Amendments of 1965, as amended, or title I, part I, of Public Law Number 89-97, as enacted by the 89th Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as amended.*

(k) *“Medicare eligible expenses” means health care expenses covered by Medicare, to the extent recognized as reasonable and medically necessary by Medicare.*

(l) *“Medicare supplement policy or certificate” means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations, other than a policy or certificate issued under a contract under section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., or an issued policy under a demonstration project authorized under amendments to the federal Social Security Act.*

which is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare.

(m) "Physician" shall not be defined more restrictively than as defined in the Medicare program or section 62A.04, subdivision 1, or 62A.15, subdivision 3a.

(n) "Policy form" means the form on which the policy is delivered or issued for delivery by the issuer.

(o) "Sickness" shall not be defined more restrictively than the following:
"Sickness means illness or disease of an insured person."

The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under a workers' compensation, occupational disease, employer's liability, or similar law.

Sec. 3. Minnesota Statutes 1990, section 62A.31, is amended by adding a subdivision to read:

Subd. 4. [PROHIBITED POLICY PROVISIONS.] A Medicare supplement policy or certificate in force in the state shall not contain benefits that duplicate benefits provided by Medicare.

Sec. 4. Minnesota Statutes 1990, section 62A.315, is amended to read:

62A.315 [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to ~~chapter 62E~~ section 62E.07, and will provide:

(1) coverage for all of the Medicare part A inpatient hospital deductible and coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B and coverage of the Medicare deductible amount;

(4) 80 percent of usual and customary hospital and medical expenses, supplies, and prescription drug expenses, not covered by Medicare's eligible expenses;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; ~~and~~

(6) 100 percent of the cost of immunizations; ~~and routine screening procedures for cancer, including mammograms and pap smears;~~

(7) preventive medical care benefit: coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education

to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes to a maximum of \$120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare;

(8) *At-home recovery benefit: Coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:*

(i) *For purposes of this benefit, the following definitions shall apply:*

(A) *“activities of daily living” include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;*

(B) *“care provider” means a duly qualified or licensed home health aide/homemaker, personal care aide, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;*

(C) *“home” means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured’s place of residence;*

(D) *“at-home recovery visit” means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;*

(ii) *coverage requirements and limitations:*

(A) *at-home recovery services provided must be primarily services that assist in activities of daily living;*

(B) *the insured’s attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;*

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as medically necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(III) \$1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

Sec. 5. Minnesota Statutes 1991 Supplement, section 62A.316, is amended to read:

62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year, after satisfying the Medicare part A deductible;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B after the Medicare deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and

(6) 100 percent of the cost of immunizations and routine screening procedures for cancer screening including mammograms and pap smears.

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of usual and customary eligible medical expenses, *not to exceed any charge limitation established by the Medicare program*, and supplies not covered by Medicare part B. This does not include outpatient prescription drugs;

(3) coverage for all of the Medicare part B annual deductible; ~~and~~

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses.

In the event the authority or requirement to offer a Medicare select policy or certificate under section 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, Public Law Number 101-508, is repealed or terminated, nothing in this section prohibits the plan from requiring that services be received from providers designated as preferred providers or participating providers in order to receive coverage under optional benefit riders, provided the requirement is not in violation of federal law;

(5) coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test, administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes, to a maximum of \$120 annually under this benefit. This benefit shall not include payment for a procedure covered by Medicare;

(6) coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) For purposes of this benefit, the following definitions apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aid, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) Coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) Coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(III) \$1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) Coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

(a) An issuer shall comply with section 1882(c)(3) of the federal Social Security Act, as enacted by section 4081(b)(2)(C) of the Omnibus Budget Reconciliation Act of 1987 (OBRA), Public Law Number 100-203, by:

(1) accepting a notice from a Medicare carrier on duly assigned claims submitted by Medicare participating physicians and suppliers as a claim for benefits in place of any other claim form otherwise required and making a payment determination on the basis of the information contained in that notice;

(2) notifying the Medicare participating physician or supplier and the beneficiary of the payment determination;

(3) paying the Medicare participating physician or supplier directly;

(4) furnishing, at the time of enrollment, each enrollee with a card listing the policy or certificate name, number, and a central mailing address to which notices from a Medicare carrier may be sent;

(5) paying user fees for claim notices that are transmitted electronically or otherwise; and

(6) providing to the Secretary of Health and Human Services, at least annually, a central mailing address to which all claims may be sent by Medicare carriers.

(b) Compliance with the requirements in paragraph (a) shall be certified on the Medicare supplement insurance experience reporting form.

Sec. 7. [62A.319] [REPORTING OF MULTIPLE POLICIES.]

Subdivision 1. [ANNUAL REPORT.] On or before March 1 of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate:

(1) the policy and certificate number; and

(2) the date of issuance.

Subd. 2. [NAIC REPORT FORMS.] The items in subdivision 1 must be grouped by individual policyholder and be on the National Association of Insurance Commissioners Reporting Medicare Supplement Policies form.

Sec. 8. Minnesota Statutes 1990, section 62A.36, subdivision 1, is amended to read:

Subdivision 1. [~~MINIMUM LOSS RATIOS RATIO STANDARDS.~~] ~~Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, (a) A Medicare supplement policies policy form or certificate form shall not be required delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits under the policy, for each year excluding the year of issuance and the first year thereafter, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices, not including anticipated refunds or credits, provided under the policy form or certificate form:~~

(a) (1) at least 75 percent of the aggregate amount of premiums collected earned in the case of group policies, and

(b) (2) at least 65 percent of the aggregate amount of premiums collected earned in the case of individual policies, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. An insurer shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage.

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy or certificate shall equal or exceed the appropriate loss ratio standards.

(b) An issuer shall collect and file with the commissioner by May 31 of each year the data contained in the National Association of Insurance Commissioners Medicare Supplement Refund Calculating form, for each type of Medicare supplement benefit plan.

If, on the basis of the experience as reported, the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation must be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the Secretary of Health and Human Services, but in no event shall it be less than the average rate of interest for 13-week treasury bills. A refund or credit against premiums due shall be made by September 30 following the experience year on which the refund or credit is based.

(c) An issuer of Medicare supplement policies and certificates in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy or certificate duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

As soon as practicable, but before the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state:

(1) a premium adjustment that is necessary to produce an expected loss ratio under the policy or certificate that will conform with minimum loss ratio standards for Medicare supplement policies or certificates. No premium adjustment that would modify the loss ratio experience under the policy or certificate other than the adjustments described herein shall be made with respect to a policy or certificate at any time other than on its renewal date or anniversary date;

(2) if an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits considered necessary to achieve the loss ratio required by this section;

(3) any appropriate riders, endorsements, or policy or certificate forms needed to accomplish the Medicare supplement insurance policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy or certificate forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

(d) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of a refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner considered appropriate by the commissioner.

Sec. 9. Minnesota Statutes 1990, section 62A.38, is amended to read:

62A.38 [NOTICE OF FREE EXAMINATION.]

Medicare supplement policies or certificates, other than those issued pursuant to direct response solicitation, shall have a notice prominently printed on the first page of the policy or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded in full if, after examination of the policy or certificate, the insured person is not satisfied for any reason. Medicare supplement policies or certificates, issued pursuant to a direct response solicitation to persons eligible for Medicare by reason of age, shall have a notice prominently printed on the first page or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded *within ten days after receipt of the returned policy or certificate to the insurer* if, after examination, the insured person is not satisfied for any reason.

Sec. 10. Minnesota Statutes 1990, section 62A.39, is amended to read:

62A.39 [DISCLOSURE.]

No individual Medicare supplement plan shall be delivered or issued in this state and no certificate shall be delivered ~~pursuant to~~ under a group Medicare supplement plan delivered or issued in this state unless an outline containing at least the following information *in no less than 12-point type* is delivered to the applicant at the time the application is made:

(a) A description of the principal benefits and coverage provided in the policy;

(b) A statement of the exceptions, reductions, and limitations contained in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL MEDICAL EXPENSES BEYOND THOSE COVERED BY MEDICARE. THIS POLICY DOES NOT COVER ALL SKILLED NURSING HOME CARE EXPENSES AND DOES NOT COVER CUSTODIAL OR RESIDENTIAL NURSING CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH NURSING HOME FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY.";

(c) A statement of the renewal provisions including any reservations by the insurer of a right to change premiums. *The premium and manner of payment shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated. If the premium is based on the increasing age of the insured, information specifying when premiums will change must be included;*

(d) **READ YOUR POLICY OR CERTIFICATE VERY CAREFULLY** [Boldface type]. A statement that the outline of coverage is a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions. *Additionally, it does not give all the details of Medicare coverage. Contact your local Social Security office or consult the Medicare handbook for more details; and*

(e) A statement of the policy's loss ratio as follows: "This policy provides an anticipated loss ratio of (. . %) . This means that, on the average, policyholders may expect that (\$) of every \$100.00 in premium will be returned as benefits to policyholders over the life of the contract.";

(f) *When the outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis that would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany the policy or certificate when it is delivered and contain the following statement, in no less than 12-point type, immediately above the company name:*

"NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application, and the coverage originally applied for has not been issued."

(g) **RIGHT TO RETURN POLICY OR CERTIFICATE** [Boldface type]. "If you find that you are not satisfied with your policy or certificate for any reason, you may return it to [insert issuer's address]. If you send the policy or certificate back to us within 30 days after you receive it, we will treat the policy or certificate as if it had never been issued and return all of your payments within ten days.";

(h) **POLICY OR CERTIFICATE REPLACEMENT** [Boldface type]. "If you are replacing another health insurance policy or certificate, do NOT cancel it until you have actually received your new policy or certificate and are sure you want to keep it.";

(i) **NOTICE** [Boldface type]. "This policy or certificate may not fully cover all of your medical costs."

A. [for agents:]

"Neither [insert company's name] nor its agents are connected with Medicare."

B. [for direct response:]

"[insert company's name] is not connected with Medicare."

(j) Notice regarding policies or certificates which are not Medicare supplement policies.

Any accident and sickness insurance policy or certificate, other than a Medicare supplement policy, or a policy or certificate issued pursuant to a contract under the federal Social Security Act, section 1833 or 1876 (United States Code, title 42, section 1395, et seq.), disability income policy; basic, catastrophic, or major medical expense policy; single premium nonrenewable policy; or other policy, issued for delivery in this state to persons eligible for Medicare shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy or certificate delivered to insureds. The notice shall be in no less than 12-point type and shall contain the following language:

"THIS [POLICY OR CERTIFICATE] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Medicare supplement buyer's guide available from the company."

(k) **COMPLETE ANSWERS ARE VERY IMPORTANT** [Boldface type]. "When you fill out the application for the new policy or certificate, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your policy or certificate and refuse to pay any claims if you leave out or falsify important medical information." If the policy or certificate is guaranteed issue, this paragraph need not appear.

"Review the application carefully before you sign it. Be certain that all information has been properly recorded."

Include for each plan, prominently identified in the cover page, a chart showing the services, Medicare payments, plan payments, and insured payments for each plan, using the same language, in the same order, using uniform layout and format.

Nothing in this section requires the issuer to file the policy or certificate to which the cover page is attached. Issuers shall file with the department of commerce or health only the cover page containing the required notice provision. If the department does not disapprove the filing within 60 days, it is approved. Upon approval of the cover page, the issuer shall attach it to the policy or certificate as required by this section.

Sec. 11. Minnesota Statutes 1990, section 62A.42, is amended to read:
62A.42 [RULEMAKING AUTHORITY.]

To carry out the purposes of sections 62A.31 to 62A.44, the commissioner may promulgate rules pursuant to chapter 14. These rules may:

(a) prescribe additional disclosure requirements for medicare supplement plans, designed to adequately inform the prospective insured of the need and extent of coverage offered;

(b) prescribe uniform policy forms in order to give the insurance purchaser a reasonable opportunity to compare the cost of insuring with various

insurers and may prescribe reasonable measures as necessary to conform Medicare supplement policies and certificates to the requirements of federal law and regulations; and

(c) establish other reasonable standards to further the purpose of sections 62A.31 to 62A.44.

Sec. 12. Minnesota Statutes 1990, section 62A.436, is amended to read:
62A.436 [COMMISSIONS.]

The commission, sales allowance, service fee, or compensation to an agent for the sale of a Medicare supplement plan must be the same for each of the first four years of the policy. The commissioner may grant a waiver of this restriction on commissions when the commissioner believes that the insurer's fee structure does not encourage deceptive practices.

In no event may the rate of commission, sales allowance, service fee, or compensation for the sale of a basic Medicare supplement plan exceed that which applies to the sale of an extended basic Medicare supplement plan.

For purposes of this section, "compensation" includes pecuniary or non-pecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, and finder's fees.

This section also applies to sales of replacement policies.

Sec. 13. Minnesota Statutes 1990, section 62A.44, is amended to read:
62A.44 [APPLICATIONS.]

Subdivision 1. [APPLICANT COPY.] No individual medicare supplement plan shall be issued or delivered in this state unless a signed and completed copy of the application for insurance is left with the applicant at the time application is made.

Subd. 2. [QUESTIONS.] (a) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant has another Medicare supplement or other health insurance policy or certificate in force or whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and agent containing the questions and statements may be used.

"(1) You do not need more than one Medicare supplement policy or certificate.

(2) If you are 65 or older, you may be eligible for benefits under Medicaid and may not need a Medicare supplement policy or certificate.

(3) The benefits and premiums under your Medicare supplement policy or certificate will be suspended during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be reinstated if requested within 90 days of losing Medicaid eligibility.

To the best of your knowledge:

(1) Do you have another Medicare supplement policy or certificate in

force, including health care service contract or health maintenance organization contract? If so, with which company?

(2) Do you have any other health insurance policies that provide benefits that this Medicare supplement policy or certificate would duplicate? (a) If so, with which company?

(3) If the answer to question 1 or 2 is yes, do you intend to replace these medical or health policies with this policy or certificate?

(4) Are you covered by Medicaid?"

(b) Agents shall list any other health insurance policies they have sold to the applicant.

(1) List policies sold that are still in force.

(2) List policies sold in the past five years that are no longer in force.

(c) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer on delivery of the policy or certificate.

(d) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the agent, except where the coverage is sold without an agent, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy or certificate the notice regarding replacement of Medicare supplement coverage.

(e) The notice required by paragraph (d) for an issuer shall be provided in substantially the following form in no less than 12-point type:

**"NOTICE TO APPLICANT REGARDING REPLACEMENT
OF MEDICARE SUPPLEMENT INSURANCE**

[Insurance company's name and address]

**SAVE THIS NOTICE!
IT MAY BE IMPORTANT TO YOU IN THE FUTURE.**

According to [your application] [information you have furnished], you intend to terminate existing Medicare supplement insurance and replace it with a policy or certificate to be issued by [Company Name] Insurance Company. Your new policy or certificate will provide 30 days within which you may decide without cost whether you desire to keep the policy or certificate.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. Terminate your present policy only if, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision.

STATEMENT TO APPLICANT BY ISSUER, AGENT, [BROKER OR OTHER REPRESENTATIVE]: I have reviewed your current medical or health insurance coverage. The replacement of insurance involved in this transaction does not duplicate coverage, to the best of my knowledge. The

replacement policy or certificate is being purchased for the following reason(s) (check one):

- Additional benefits
- No change in benefits, but lower premiums
- Fewer benefits and lower premiums
- Other (please specify)

(1) Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy or certificate. This could result in denial or delay of a claim for benefits under the new policy or certificate, whereas a similar claim might have been payable under your present policy or certificate.

(2) State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent the time was spent (depleted) under the original policy or certificate.

(3) If you still wish to terminate your present policy or certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy or certificate had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]

Do not cancel your present policy or certificate until you have received your new policy or certificate and you are sure that you want to keep it.

(Signature of Agent, Broker, or Other Representative)*

[Typed Name and Address of Issuer, Agent, or Broker]

(Date)

(Applicant's Signature)

(Date)

*Signature not required for direct response sales."

(f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

Sec. 14. Minnesota Statutes 1990, section 62E.07, is amended to read:

62E.07 [QUALIFIED MEDICARE SUPPLEMENT PLAN.]

Any plan which provides benefits to persons over the age of 65 years may be certified as a qualified Medicare supplement plan if the plan is designed to supplement Medicare and provides coverage of 100 percent of the deductibles required under Medicare and 80 percent of the charges for covered services described in section 62E.06, subdivision 1, which charges are not paid by Medicare. The coverage shall include a limitation of \$1,000 per person on total annual out-of-pocket expenses for the covered services. ~~The coverage may be subject to a maximum lifetime benefit of not less than \$500,000.~~

Sec. 15. Minnesota Statutes 1991 Supplement, 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, ~~1992~~ 1993.

Sec. 16. Minnesota Statutes 1991 Supplement, 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, and a number two qualified plan, *except that the maximum lifetime benefit on these plans shall be \$1,000,000, and basic and an extended basic plan and a basic Medicare supplement plan as described in sections 62A.31 to 62A.44 and 62E.07.* 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. 17. [FEDERAL CHANGES.]

If the federal government requires additions or changes for compliance with any provisions of this act that are required by the federal Omnibus

Budget Reconciliation Act of 1990, Public Law Number 101-508, the commissioner may by order make those additions or changes. Before issuing an order, the commissioner shall notify the appropriate policy committees of the legislature of the additions or changes.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 14 and 17 are effective July 30, 1992. Sections 15 and 16 are effective the day following final enactment.

ARTICLE 2

Section 1. [62A.318] [MEDICARE SELECT POLICIES AND CERTIFICATES.]

(a) This section applies to Medicare select policies and certificates, as defined in this section, including those issued by health maintenance organizations. No policy or certificate may be advertised as a Medicare select policy or certificate unless it meets the requirements of this section.

(b) For the purposes of this section:

(1) "complaint" means any dissatisfaction expressed by an individual concerning a Medicare select issuer or its network providers;

(2) "grievance" means dissatisfaction expressed in writing by an individual insured under a Medicare select policy or certificate with the administration, claims practices, or provision of services concerning a Medicare select issuer or its network providers;

(3) "Medicare select issuer" means an issuer offering, or seeking to offer, a Medicare select policy or certificate;

(4) "Medicare select policy" or "Medicare select certificate" means a Medicare supplement policy or certificate that contains restricted network provisions;

(5) "network provider" means a provider of health care, or a group of providers of health care, that has entered into a written agreement with the issuer to provide benefits insured under a Medicare select policy or certificate;

(6) "restricted network provision" means a provision that conditions the payment of benefits, in whole or in part, on the use of network providers; and

(7) "service area" means the geographic area approved by the commissioner and the commissioner of health within which an issuer is authorized to offer a Medicare select policy or certificate.

(c) The commissioner and the commissioner of health may authorize an issuer to offer a Medicare select policy or certificate pursuant to this section and section 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, Public Law Number 101-508, if the commissioner and the commissioner of health with respect to quality and access determinations finds that the issuer has satisfied all of the requirements of this section.

(d) A Medicare select issuer shall not issue a Medicare select policy or certificate in this state until its plan of operation has been approved by the commissioner and the commissioner of health.

(e) A Medicare select issuer shall file a proposed plan of operation with the commissioner and the commissioner of health, in a format prescribed

by the commissioner and the commissioner of health. The plan of operation shall contain at least the following information:

(1) evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:

(i) the services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation, and after-hour care. The hours of operation and availability of after-hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community;

(ii) the number of network providers in the service area is sufficient, with respect to current and expected policyholders, either: -

(A) to deliver adequately all services that are subject to a restricted network provision; or

(B) to make appropriate referrals;

(iii) there are written agreements with network providers describing specific responsibilities;

(iv) emergency care is available 24 hours per day and seven days per week; and

(v) in the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from or recourse against an individual insured under a Medicare select policy or certificate. This section does not apply to supplemental charges or coinsurance amounts as stated in the Medicare select policy or certificate;

(2) a statement or map providing a clear description of the service area;

(3) a description of the grievance procedure to be used;

(4) a description of the quality assurance program, including:

(i) the formal organizational structure;

(ii) the written criteria for selection, retention, and removal of network providers; and

(iii) the procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted;

(5) a list and description, by specialty, of the network providers;

(6) copies of the written information proposed to be used by the issuer to comply with paragraph (i); and

(7) any other information requested by the commissioner and the commissioner of health.

(f) A Medicare select issuer shall file proposed changes to the plan of operation, except for changes to the list of network providers, with the commissioner and the commissioner of health before implementing the changes. The changes shall be considered approved by the commissioner and the commissioner of health after 30 days unless specifically disapproved.

An updated list of network providers shall be filed with the commissioner

and the commissioner of health at least quarterly.

(g) A Medicare select policy or certificate shall not restrict payment for covered services provided by nonnetwork providers if:

(1) the services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury, or condition; and

(2) it is not reasonable to obtain the services through a network provider.

(h) A Medicare select policy or certificate shall provide payment for full coverage under the policy or certificate for covered services that are not available through network providers.

(i) A Medicare select issuer shall make full and fair disclosure in writing of the provisions, restrictions, and limitations of the Medicare select policy or certificate to each applicant. This disclosure must include at least the following:

(1) an outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare select policy or certificate with:

(i) other Medicare supplement policies or certificates offered by the issuer; and

(ii) other Medicare select policies or certificates;

(2) a description, including address, telephone number, and hours of operation, of the network providers, including primary care physicians, specialty physicians, hospitals, and other providers;

(3) a description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are used;

(4) a description of coverage for emergency and urgently needed care and other out-of-service area coverage;

(5) a description of limitations on referrals to restricted network providers and to other providers;

(6) a description of the policyholder's rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer; and

(7) a description of the Medicare select issuer's quality assurance program and grievance procedure.

(j) Before the sale of a Medicare select policy or certificate, a Medicare select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to paragraph (i) and that the applicant understands the restrictions of the Medicare select policy or certificate.

(k) A Medicare select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. The procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.

(1) The grievance procedure must be described in the policy and certificates and in the outline of coverage.

(2) At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.

(3) Grievances must be considered in a timely manner and must be transmitted to appropriate decision makers who have authority to fully investigate the issue and take corrective action.

(4) If a grievance is found to be valid, corrective action must be taken promptly.

(5) All concerned parties must be notified about the results of a grievance.

(6) The issuer shall report no later than March 31 of each year to the commissioner and the commissioner of health regarding the grievance procedure. The report shall be in a format prescribed by the commissioner and the commissioner of health and shall contain the number of grievances filed in the past year and a summary of the subject, nature, and resolution of the grievances.

(l) At the time of initial purchase, a Medicare select issuer shall make available to each applicant for a Medicare select policy or certificate the opportunity to purchase a Medicare supplement policy or certificate otherwise offered by the issuer.

(m)(1) At the request of an individual insured under a Medicare select policy or certificate, a Medicare select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer that has comparable or lesser benefits and that does not contain a restricted network provision. The issuer shall make the policies or certificates available without requiring evidence of insurability after the Medicare supplement policy or certificate has been in force for six months. If the issuer does not have available for sale a policy or certificate without restrictive network provisions, the issuer shall provide enrollment information for the Minnesota comprehensive health association Medicare supplement plans.

(2) For the purposes of this paragraph, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare part A deductible, coverage for prescription drugs, coverage for at-home recovery services, benefits required under section 62E.07, or coverage for part B excess charges.

(n) Medicare select policies and certificates shall provide for continuation of coverage if the Secretary of Health and Human Services determines that Medicare select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare select program to be reauthorized under law or its substantial amendment.

(1) Each Medicare select issuer shall make available to each individual insured under a Medicare select policy or certificate the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer that has comparable or lesser benefits and that does not contain a restricted network provision. The issuer shall make the policies and certificates available without requiring evidence of insurability.

(2) For the purposes of this paragraph, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare

select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare part A deductible, coverage for prescription drugs, coverage for at-home recovery services, benefits required under section 62E.07, or coverage for part B excess charges.

(o) A Medicare select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare select program.

(p) Medicare select policies and certificates under this section shall be regulated and approved by the department of commerce and the department of health.

(q) Medicare select policies and certificates must be either a basic plan or an extended basic plan. The basic plan may also include any of the optional benefit riders authorized by section 62A.316. Preventive care provided by Medicare select policies or certificates must be provided as set forth in section 62A.315 or 62A.316, except that the benefits are as defined in chapter 62D.

(r) Medicare select policies and certificates are exempt from the requirements of section 62A.31, subdivision 1, paragraph (d). This paragraph expires January 1, 1994.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 30, 1992, and applies to policies or certificates issued on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; regulating Medicare supplement; making various changes in state law required by the federal government; regulating coverages and practices; regulating the Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1990, sections 62A.31, by adding subdivisions; 62A.315; 62A.36, subdivision 1; 62A.38; 62A.39; 62A.42; 62A.436; 62A.44; and 62E.07; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62A.316; 62E.10, subdivision 9; and 62E.12; proposing coding for new law in Minnesota Statutes, chapter 62A."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. DeCramer from the Committee on Transportation, to which was referred

S.F. No. 2665: A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; specifying service that may be offered by courier service carriers; redefining the local cartage zone; increasing registration fees for vehicles of motor carriers; appropriating money; amending

Minnesota Statutes 1990, sections 168.013, subdivision 1e; 221.011, subdivisions 7, 8, 9, 14, 25, 28, and by adding subdivisions; 221.036, subdivision 1; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.081; 221.111; 221.121, subdivisions 1, 6, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivisions 11 and 17.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 221.011, subdivision 7, is amended to read:

Subd. 7. “Certificate” means the certificate of public convenience and necessity ~~which may be issued under the provisions of sections 221.011 to 221.294~~ *section 221.071 to a regular route common carrier of passengers, a class 1 motor carrier, or a petroleum carrier.*

Sec. 2. Minnesota Statutes 1990, section 221.011, subdivision 8, is amended to read:

Subd. 8. “Permit” means the license, or franchise, which may be issued to motor carriers other than regular route common carriers *of passengers, class 1 common carriers,* and petroleum carriers, under the provisions of this chapter, authorizing the use of the highways of Minnesota for transportation for hire.

Sec. 3. Minnesota Statutes 1990, section 221.011, subdivision 9, is amended to read:

Subd. 9. “Regular route common carrier” means a person who holds out to the public as willing, for hire, to transport passengers ~~or property~~ by motor vehicle between fixed termini over a regular route upon the public highways.

Sec. 4. Minnesota Statutes 1990, section 221.011, subdivision 14, is amended to read:

Subd. 14. “Permit carrier” means a motor carrier embraced within this chapter other than regular route common carriers *of passengers, class 1 carriers,* and petroleum carriers.

Sec. 5. Minnesota Statutes 1990, section 221.011, subdivision 25, is amended to read:

Subd. 25. “Courier services carrier” means any person who offers ~~expedited door-to-door transportation of packages and articles less than 100 pounds in weight in vehicles with a registered gross vehicle weight and gross vehicle weight rating not exceeding 15,000 pounds either or both of the services described in section 221.121, subdivision 6,~~ *and to whom the board has issued a permit to operate as a courier services carrier.*

Sec. 6. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 33. [TRUCKLOAD FREIGHT.] “*Truckload freight*” means freight collected by a motor carrier (1) from one consignor at a place under the consignor’s control and delivered directly to one or more consignees at a

place or places under the consignees' control, or (2) from one or more consignors at a place or places under the consignors' control and delivered directly to one consignee at a place under the consignee's control.

Sec. 7. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 34. [LESS-THAN-TRUCKLOAD FREIGHT.] "Less-than-truckload freight" means freight carried by a motor carrier that is not truckload freight.

Sec. 8. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 35. [CERTIFICATED CARRIER.] "Certificated carrier" means a motor carrier holding a certificate issued under section 221.071.

Sec. 9. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 36. [CLASS I CARRIER.] "Class I carrier" means a person who has been issued a certificate under section 221.071 to operate as a class I carrier.

Sec. 10. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 37. [CLASS II CARRIER.] "Class II carrier" means a person who has been issued a permit under section 221.121, subdivisions 6c to 6e, to operate as a class II carrier. Class II carrier includes persons who have been issued either a class II-T or class II-L permit, or both.

Sec. 11. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 38. [TERMINAL.] "Terminal" means (1) a facility that a motor carrier owns, leases, or otherwise controls, and uses to load, unload, dispense, receive, interchange, gather, or otherwise physically handle freight for shipment, or (2) any other location at which freight is exchanged by motor carriers between vehicles. "Terminal" does not mean a public warehouse with a storage capacity of at least 5,000 square feet that was licensed under chapter 231 on or before March 1, 1992.

Sec. 12. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

Subd. 39. [COMMODITY REQUIRING PROTECTIVE SERVICES.] "Commodity requiring protective services" means a commodity requiring protection from heat or cold that is transported with or without other commodities, provided that all such commodities move in mechanically temperature controlled vehicles.

Sec. 13. Minnesota Statutes 1990, section 221.036, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.041, subdivision 3; (3) section 221.171; (4) section 221.035, or of a material term or condition of a license issued under that section 221.035; or of a rule or order of the commissioner relating to the transportation of hazardous waste. An order must be issued as provided in

this section.

Sec. 14. Minnesota Statutes 1990, section 221.041, is amended to read:
221.041 [RATE-MAKING POWERS.]

Subdivision 1. [CONSIDERATIONS; PROCEDURES.] The board shall fix and establish just, reasonable, and nondiscriminatory rates, fares, charges, and the rules and classifications incident to tariffs for ~~regular route common carriers and petroleum~~ *certificated* carriers. In prescribing rates, fares, charges, classifications, and rules for the carrying of freight, persons, or property, the board shall take into consideration the effect of the proposed rates or fares upon the users of the service and upon competitive carriers by motor vehicle and rail and, insofar as possible, avoid rates and fares which will result in unreasonable and destructive competition. In making its determination, the board shall consider, among other things, the cost of the service rendered by the carrier, including an adequate sum for maintenance and depreciation, and an adequate operating ratio under honest, economical, and efficient management. No rate or fares may be put into effect or changed or altered except upon hearing duly had and an order therefor by the board, or except as herein otherwise provided. The board may authorize rate changes *ex parte* which, in its opinion, are not of sufficient import to require a hearing. In an emergency, the board may order a change in existing rates or fares without a hearing. In instances of *ex parte* or emergency orders, the board shall, within five days, serve a copy of its order granting the change in rates upon parties which the board deems interested in the matter, including competing carriers. An interested party shall have 30 days from the date of the issuance of the order to object to the order. If objection is made, the board shall determine whether a hearing is necessary for resolution of the material issues relating to the proposed change in rates. On finding that a hearing is unnecessary for this purpose, the board, no sooner than 30 days after issuing its initial order granting the change in rates, may enter an order finally disposing of the rate change application. On determining otherwise, the board may take final action on the rate change application and the objections to it only after a contested case hearing has been conducted under chapter 14.

Subd. 2. [FILING.] A ~~regular route common carrier and a petroleum~~ *certificated* carrier, upon approval by the board of its rates, fares, charges, and rules and classifications incident to tariffs shall file its rates, fares, charges, and tariffs with the commissioner. Filings must be prepared and filed in the manner prescribed by the commissioner. The commissioner may not accept for filing rates, fares, charges, and tariffs which have not been approved by the board.

Subd. 3. [PROHIBITIONS; COMPENSATION AND TIME SCHEDULES.] No ~~regular route common carrier or petroleum~~ *certificated* carrier may charge or receive a greater or less or different compensation for the transportation of passengers or property or for service in connection therewith than the rates, fares, and charges and the rules and classifications governing the same which have been duly approved therefor by order of the board; ~~nor may~~. A ~~regular route common carrier or petroleum~~ *certificated* carrier *may not* refund or remit in any manner or by any device a portion of those rates, fares, and charges required to be collected under the board's order; nor extend to a shipper or person a privilege or facilities in connection with the transportation of passengers or property except as are authorized under the order of the board. No passenger-carrying regular route common

carrier may alter or change its time schedules except upon order of the board. The order may be issued ex parte unless the board decides that the public interest requires that a hearing be ~~had thereon held~~.

Subd. 4. [NONAPPLICABILITY.] This section does not apply to any regular-route passenger transportation being performed with operating assistance provided by the regional transit board.

Sec. 15. Minnesota Statutes 1990, section 221.051, is amended to read:
221.051 [ABANDONMENT OR DISCONTINUANCE OF SERVICE.]

No regular route common carrier ~~shall~~ *of passengers or class 1 carrier* may abandon or discontinue any service required under its certificate without an order of the board therefor, except in cases of emergency or conditions beyond its control.

A passenger regular route common carrier may depart from the route over which it is authorized to operate for the purpose of transporting chartered or excursion parties to any point in the state of Minnesota on such terms and conditions as the board may prescribe.

Sec. 16. Minnesota Statutes 1990, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

A person desiring a certificate authorizing operation as a regular route common carrier *of passengers, a class 1 carrier,* or petroleum carrier, or an extension of or amendment to that certificate, shall file a petition with the commissioner which must contain information as the board and commissioner, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay to the commissioner as a fee for issuing the certificate the sum of \$300 and for a transfer or lease of the certificate the sum of \$300.

The petition must be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon a competing carrier operating into a city located on the proposed route of the petitioner and to other persons or bodies politic which the board deems interested in the petition. A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow it when the issues and the territory are not unduly broadened by the amendment.

Sec. 17. Minnesota Statutes 1990, section 221.071, subdivision 1, is amended to read:

Subdivision 1. [CONSIDERATIONS; TEMPORARY CERTIFICATES; AMENDING.] If the board finds from the evidence that the petitioner is fit and able to properly perform the services proposed and that public convenience and necessity require the granting of the petition or a part of the petition, it shall issue a certificate of public convenience and necessity to the petitioner. In determining whether a certificate should be issued, the board shall give primary consideration to the interests of the public that might be affected, to the transportation service being furnished by a railroad which may be affected by the granting of the certificate, and to the effect which the granting of the certificate will have upon other transportation

service essential to the communities which might be affected by the granting of the certificate. The board may issue a certificate as applied for or issue it for a part only of the authority sought and may attach to the authority granted terms and conditions as in its judgment public convenience and necessity may require. If the petitioner is seeking authority to operate regular-route transit service wholly within the seven-county metropolitan area with operating assistance provided by the regional transit board, the board shall consider only whether the petitioner is fit and able to perform the proposed service. The operating authority granted to such a petitioner must be the operating authority for which the petitioner is receiving operating assistance from the regional transit board. A carrier receiving operating assistance from the regional transit board may amend the certificate to provide for additional routes by filing a copy of the amendment with the board, and approval of the amendment by the board is not required if the additional service is provided with operating assistance from the regional transit board.

The board may grant a temporary certificate, *ex parte*, valid for a period not exceeding 180 days, upon a showing that no regular route common carrier or petroleum carrier is then authorized to serve on the route sought, that no other petition is on file with the board covering the route, and that a need for the proposed service exists.

A certificate issued to a ~~regular route common carrier or petroleum carrier~~ may be amended by the board on *ex parte* petition and payment of a \$25 fee to the commissioner, to grant an additional or alternate route if there is no other means of transportation over the proposed additional route or between its termini, and the proposed additional route does not exceed ten miles in length.

Sec. 18. [221.072] [CLASS I CARRIERS.]

Subdivision 1. [AUTHORITY.] The board may issue a class I certificate only to a motor carrier who owns, leases, or otherwise controls more than one terminal. Except as provided in subdivision 2, a motor carrier may not own, operate, or otherwise control more than one terminal without having obtained a class I certificate from the board. For purposes of this section, utilization of a local cartage carrier by a class I carrier constitutes ownership, lease, or control of a terminal.

Subd. 2. [EXCEPTIONS.] This section does not apply to any carrier listed in section 221.111, clauses (1) to (9).

Subd. 3. [OPERATION.] A class I certificate authorizes the certificate holder to transport both truckload and less-than-truckload freight to and from points named in the certificate, over routes described in the certificate. A holder of a class I certificate may transfer freight to and from another class I carrier.

Sec. 19. Minnesota Statutes 1990, section 221.081, is amended to read:

221.081 [SALE OR LEASE OF CERTIFICATE OF REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

(a) Except as provided in paragraph (b), certificates authorizing operations as a ~~regular route common carrier~~ or as a ~~petroleum carrier~~ may be sold or leased but only upon order of the board approving the same. The proposed seller and buyer or lessor and lessee of a certificate shall file a joint petition with the commissioner, setting forth the names and addresses of the parties.

the identifying number of the certificate and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a short statement of the buyer or lessee's present operating authority, if any, a statement of all outstanding claims of creditors which are directly attributable to the operations conducted under said certificate, a copy of the contract of sale or lease and a financial statement with balance sheet and income statement, if existent, of the buyer. If it appears to the board from the contents of the petition and from the department's records, files and investigation of the petition that the approval of the sale or lease of the certificate will not adversely affect the rights of the users of the service and will not have an adverse effect on any other motor carrier, the board may make an ex parte order granting the same. When the proposed sale or lease is between persons who are direct competitors to a material degree, the petition shall be set down for hearing with notice to the communities which may be affected by the proposed merger and to any other persons the board or department deems to be interested parties.

(b) Nothing in this section authorizes the lease of a class I certificate.

Sec. 20. Minnesota Statutes 1990, section 221.111, is amended to read:
221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than ~~regular route common carriers, petroleum certificated carriers, and local cartage carriers,~~ shall obtain a permit in accordance with section 221.121, ~~including irregular route carriers, livestock carriers, contract carriers, charter carriers, and courier service carriers.~~ *The board shall issue only the following kinds of permits:*

- (1) class H-T permits;*
- (2) class H-L permits;*
- (3) livestock carrier permits;*
- (4) contract carrier permits;*
- (5) charter carrier permits;*
- (6) courier service carrier permits;*
- (7) local cartage carrier permits;*
- (8) household goods mover permits; and*
- (9) protected commodities permits.*

Sec. 21. Minnesota Statutes 1990, section 221.121, subdivision 1, is amended to read:

Subdivision 1. [PERMIT CARRIERS.] *(a) A person desiring to operate as a permit carrier, except as a ~~livestock carrier, or a local cartage carrier provided in subdivision 5 or section 221.296,~~ shall file a petition with the commissioner specifying the kind of permit desired, the name and address of the petitioner and the names and addresses of the officers, if a corporation, and other information as the board and commissioner may require. The board, after notice to interested parties and a hearing, shall issue the permit upon compliance with the laws and rules relating to it, if it finds that petitioner is fit and able to conduct the proposed operations, that petitioner's vehicles meet the safety standards established by the department, that the area to be served has a need for the transportation services requested in the petition, and that existing permit and certificated carriers in the area*

to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs, provided that no person who holds a permit at the time sections 221.011 to 221.291 take effect may be denied a renewal of the permit upon compliance with other provisions of sections 221.011 to 221.291. A permit once granted continues in full force and effect until abandoned or unless suspended or revoked, subject to compliance by the permit holder with the applicable provisions of law and the rules of the commissioner or board governing permit carriers. No permit may be issued to a common carrier by rail permitting the common carrier to operate trucks for hire within this state, nor may a common carrier by rail be permitted to own, lease, operate, control, or have an interest in a permit carrier by truck, either by stock ownership or otherwise, directly, indirectly, through a holding company, or by stockholders or directors in common, or in any other manner. Nothing in sections 221.011 to 221.291 prevents the board from issuing a permit to a common carrier by rail authorizing the carrier to operate trucks wholly within the limits of a municipality or within adjacent or contiguous municipalities or a common rate point served by the railroad and only as a service supplementary to the rail service now established by the carriers.

Sec. 22. Minnesota Statutes 1990, section 221.121, subdivision 6, is amended to read:

Subd. 6. [COURIER SERVICES CARRIERS.] (a) A person desiring to operate as a courier services carrier shall follow the procedure established in subdivision 1 and shall be granted a permit as a courier services carrier if the person meets the criteria established in subdivision 1.

(b) A permit to operate as a courier service carrier authorizes the permit holder to provide either or both of the following services:

(1) expedited delivery, meaning the transportation of freight in any two-axle vehicle where (i) pickup of the freight is made within one hour of the request for the pickup, and delivery of the freight is made within six hours of the pickup, and (ii) the freight is transported from the point of pickup to the consignee without intermediate unloading, docking, or storage; and

(2) small package delivery, meaning the transportation of freight where (i) the delivery to the consignee is made on the same day as the pickup of the freight, or on the next day, (ii) no single package or article exceeds 100 pounds in weight, (iii) the total amount of freight the carrier delivers from a single consignor to a single consignee in any day does not exceed 400 pounds, and (iv) delivery to the consignee is made in vehicles not exceeding 15,000 pounds gross vehicle weight. Small package delivery service may include intermediate unloading, docking, or storage.

Courier service carriers must maintain accurate records of each shipment picked up and delivered, including: (1) time of the request for service; (2) time of the pickup; (3) time of delivery; (4) weight of the shipment; and (5) the specific vehicle or vehicles used to transport the shipment.

(c) The board shall not deny a permit for a courier service carrier on the grounds that operations performed by the applicant resemble operations of other types of carriers defined in section 221.011.

Sec. 23. Minnesota Statutes 1990, section 221.121, subdivision 6a, is amended to read:

Subd. 6a. [HOUSEHOLD GOODS CARRIER.] A person who desires

to hold out or to operate as a carrier of household goods shall follow the procedure established in subdivision 1, and shall specifically request ~~an irregular route common carrier~~ a household goods mover permit with authority to transport household goods. The permit granted by the board to a person who meets the criteria established in this subdivision and subdivision 1 shall authorize the person to hold out and to operate as ~~an irregular route common carrier~~ of a household goods mover. A person who provides or offers to provide household goods packing services and who makes any arrangement directly or indirectly by lease, rental, referral, or by other means to provide or to obtain drivers, vehicles, or transportation service for moving household goods, must have ~~an irregular route common carrier permit with authority to transport a household goods mover permit~~.

Sec. 24. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6c. [CLASS II CARRIERS.] A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (8), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal. For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal, and (2) "terminal" does not include a terminal used by a permit holder who also holds a class I certificate or protected commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate or protected commodities permit.

Sec. 25. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6d. [PROTECTED COMMODITIES CARRIERS.] A person who desires to hold out or to operate as a carrier of commodities requiring protective services shall follow the procedure established in subdivision 1 and shall specifically request a protected commodities permit. The permit granted by the board to a person who meets the criteria established in subdivision 1 shall authorize the person to hold out and to operate as a carrier of commodities requiring protective services.

Sec. 26. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6e. [CLASS II-T PERMITS.] A holder of a class II-T permit may transport truckload freight to and from any point named in the permit.

Sec. 27. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

Subd. 6f. [CLASS II-L PERMITS.] (a) A motor carrier with a class II-L permit may transport less-than-truckload freight as provided in this subdivision.

(b) A motor carrier with a class II-L permit may transport less-than-truckload freight to and from any point named in the permit, without restriction as to routes, schedules, or frequency of service.

(c) A motor carrier with a class H-L permit may transport less-than-truckload freight to and from any point in the state not named in the carrier's permit only if the carrier: (1) had, on January 1, 1993, authority to transport general commodities throughout the state, and (2) such authority had been held and exercised by the permit holder or a member of the permit holder's immediate family as defined in section 221.151, subdivision 2, continuously since the granting of the authority. Service by such a carrier to and from points not named in the carrier's permit may be provided no more often than on 24 days in any 12-month period.

(d) A motor carrier described in paragraph (c) may amend the carrier's permit by adding, to the points named in the permit, other points in the state by following the procedures established in this paragraph. The carrier shall submit to the commissioner a petition to serve the points and shall name the points in the petition. The carrier shall submit with the petition evidence of need for the proposed service. The commissioner shall transmit the petition to the board. The board shall publish notice of the petition in the board's weekly calendar. Failure by the board to deny the petition within 30 days of the date of publication in the calendar constitutes approval of the petition.

Sec. 28. Minnesota Statutes 1990, section 221.131, subdivision 2, is amended to read:

Subd. 2. [PERMIT CARRIERS; ANNUAL VEHICLE REGISTRATION.] The permit holder shall pay an annual registration fee of ~~\$20~~ \$40 on each vehicle, including pickup and delivery vehicles, operated by the holder under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers and semitrailers used by a permit holder in combination with power units may not be counted as vehicles in the computation of fees under this section if the permit holder pays the fees for power units. The commissioner shall furnish a distinguishing annual identification card for each vehicle or power unit for which a fee has been paid. The identification card must at all times be carried in the vehicle or power unit to which it has been assigned. An identification card may be reassigned to another vehicle or power unit upon application of the permit holder and a transfer fee of \$10. An identification card issued under the provisions of this section is valid only for the period for which the permit is effective. The name and residence of the permit holder must be stenciled or otherwise shown on the outside of both doors of each registered vehicle operated under the permit. A fee of \$10 is charged for the replacement of an unexpired identification card that has been lost or damaged.

Sec. 29. Minnesota Statutes 1990, section 221.131, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATE CARRIERS; ANNUAL VEHICLE REGISTRATION.] ~~Regular route common carriers and petroleum~~ *Certificated* carriers, ~~operating under sections 221.011 to 221.291,~~ shall ~~annually~~ pay ~~into the treasury of the state of Minnesota~~ an annual registration fee of ~~\$20~~ \$40 for each vehicle, including pickup and delivery vehicles, operated during a calendar year. The commissioner shall issue distinguishing identification cards as provided in subdivision 2.

Sec. 30. Minnesota Statutes 1990, section 221.141, subdivision 4, is amended to read:

Subd. 4. [~~IRREGULAR ROUTE CARRIERS OF HOUSEHOLD GOODS~~

~~MOVERS.] An irregular route common carrier of A household goods mover shall maintain in effect cargo insurance or cargo bond in the amount of \$50,000 and shall file with the commissioner a cargo certificate of insurance or cargo bond. A cargo certificate of insurance must conform to Form H, Uniform Motor Cargo Certificate of Insurance, described in Code of Federal Regulations, title 49, part 1023. A cargo bond must conform to Form J, described in Code of Federal Regulations, title 49, part 1023. Both Form H and Form J are incorporated by reference. The cargo certificate of insurance or cargo bond must be issued in the full and correct name of the person, corporation, or partnership to whom the irregular route common carrier of household goods mover permit was issued and whose operations are being insured. A carrier that was issued a permit as an irregular route common carrier of household goods before August 1, 1989, shall obtain and file a cargo certificate of insurance or bond within 90 days of August 1, 1989.~~

Sec. 31. Minnesota Statutes 1990, section 221.151, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Permits, except livestock permits, issued under section 221.121 may be assigned or transferred but only upon the order of the board approving the transfer or assignment after notice and hearing.

The proposed seller and buyer or lessor and lessee of a permit, except for livestock carrier permits, shall file a joint notarized petition with the commissioner setting forth the name and address of the parties, the identifying number of the permit, and the description of the authority which the parties seek to sell or lease, a short statement of the reasons for the proposed sale or lease, a statement of outstanding claims of creditors which are directly attributable to the operation to be conducted under the permit, a copy of the contract of sale or lease, and a financial statement with a balance sheet and an income statement, if existent, of the buyer or lessee. If it appears to the board, after notice to interested parties and a hearing, from the contents of the petition, from the evidence produced at the hearing, and from the department's records, files, and investigation that the approval of the sale or lease of the permit will not adversely affect the rights of the users of the service and will not have an adverse effect upon other competing carriers, the board may make an order granting the sale or lease. Provided, however, that the board shall make no order granting the sale or lease of a permit to a person or corporation or association which holds a certificate or permit other than local cartage carrier permit from the board under this chapter or to a common carrier by rail.

Provided further that the board shall make no order approving the sale or lease of a permit if the board finds that the price paid for the sale or lease of a permit is disproportionate to the reasonable value of the permit considering the assets and goodwill involved. The board shall approve the sale or lease of a permit only after a finding that the transferee is fit and able to conduct the operations authorized under the permit and that the vehicles the transferee proposes to use in conducting the operations meet the safety standards of the commissioner. In determining the extent of the operating authority to be conducted by the transferee under the sale or lease of the permit, the past operations of the transferor within the two-year period immediately preceding the transfer must be considered. Only such operating authority may be granted to the transferee as was actually exercised by the transferor under the transferor's authority within the two-year period immediately preceding the transfer as evidenced by bills of lading, company

records, operation records, or other relevant evidence. For purposes of determining the two-year period, the date of divesting of interest or control is the date of the sale. The board shall look to the substance of the transaction rather than the form. An agreement for the transfer or sale of a permit must be reported and filed with the board within 30 days of the agreement.

If an authority to operate as a permit carrier is held by a corporation, a sale, assignment, pledge, or other transfer of the stock interest in the corporation which will accomplish a substantial or material change or transfer of the majority ownership of the corporation, as exercised through its stockholders, must be reported in the manner prescribed in the rules of the board within 30 days after the sale, assignment, pledge, or other transfer of stock. The board shall then make a finding whether or not the stock transfer does, in fact, constitute a sale, lease, or other transfer of the permit of the corporation to a new party or parties and, if they so find, then the continuance of the permit issued to the corporation may only be upon the corporation's complying with the standards and procedures otherwise imposed by this section.

Nothing in this section authorizes the lease of a class II permit.

Sec. 32. Minnesota Statutes 1990, section 221.151, is amended by adding a subdivision to read:

Subd. 3. [TRANSFER OF CERTAIN AUTHORITY.] Operating authority described in section 27, paragraph (c), that has not been added to the motor carrier's permit under section 27, paragraph (d), may not be transferred to any person except a member of the transferor's immediate family as defined in subdivision 2.

Sec. 33. [221.152] [CONVERSION OF PERMITS.]

Subdivision 1. [EXPIRATION OF OPERATING AUTHORITY.] Except as provided in subdivision 3, paragraph (b), the following certificates and permits in effect on January 1, 1993, and all operating authority granted by those certificates and permits, expire on January 1, 1993:

(1) all certificates authorizing operation as a regular route common carrier of property, other than petroleum carrier certificates; and

(2) all permits authorizing operation as an irregular route common carrier, except those carriers listed in section 221.111, clauses (3) to (9).

Subd. 2. [CONVERSION.] All holders of certificates and permits that expire on January 1, 1993, under subdivision 1, who wish to continue providing the service authorized by those certificates and permits, must convert the certificates and permits into class I or class II certificates or permits by that date.

Subd. 3. [ISSUANCE OF NEW CERTIFICATES AND PERMITS.] (a) By September 1, 1992, a motor carrier described in subdivision 2 must submit to the commissioner a petition for conversion. The petition must be on a form prescribed by the commissioner and must be accompanied by an application fee of \$50. The petition must state: (1) the name and address of the petitioner; (2) the identifying number of the expiring certificates or permits the petitioner wishes to convert; and (3) other information the commissioner deems necessary. A petitioner for a class II-L permit must also submit a statement of the extent of operating authority that the petitioner holds under the petitioner's existing permit or permits and wishes to include in the new permit or permits, and evidence of the operating authority actually

exercised as described in section 221.151, subdivision 1.

(b) The commissioner shall transmit to the board all petitions that meet the requirements of paragraph (a). The board shall develop an expedited process for hearing and ruling on petitions submitted under this subdivision. Within 60 days after receiving a petition under this subdivision, the board shall issue an order approving or denying the issuance of a new certificate or permit. The board shall issue the certificate or permit requested in the petition if it finds that the issuance is authorized under this section. A petition submitted to the commissioner under this subdivision by September 1, 1992, is deemed approved by the board unless by November 1, 1992, or a later date determined under paragraph (c), the board has issued an order denying the petition.

(c) If the board determines that a conversion of a certificate or permit under this subdivision requires a longer period of deliberation than that provided in paragraph (b), the board may prescribe a date: (1) on which a class I certificate or class II permit becomes effective; (2) on which the application for conversion becomes effective unless denied by the board; and (3) on which the certificate or permit being converted expires. The board may not prescribe a date under clauses (1) to (3) that is later than June 30, 1993.

Subd. 4. [AUTHORITY CONVERTED.] (a) The board shall not issue any certificate or permit under this subdivision that authorizes the carrier to serve any geographic area or transport any commodities that the carrier was not authorized to serve or transport under the expiring certificate or permit.

(b) Notwithstanding paragraph (a), the board shall not grant a class II-L permit to a petitioner under this subdivision that authorizes the permit holder to provide service to a point if the permit holder did not provide service to that point at any time in the two years before the effective date of this section.

(c) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport household goods applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a household goods mover permit with the same operating authority to transport household goods as was granted under the person's irregular route common carrier permit.

(d) When a person who had been issued before January 1, 1993, an irregular route common carrier permit with authority to transport commodities requiring protective services applies for conversion of that permit to a class II permit under subdivision 3, the board shall issue the applicant, along with a class II permit, a protected commodities permit with the same operating authority to transport commodities requiring protective services as was granted under the person's irregular route common carrier permit.

Sec. 34. [CERTAIN LEASE AGREEMENTS NOT AFFECTED.]

Nothing in this act may be construed to affect the validity of an agreement entered into before January 1, 1993, for the lease of a certificate or permit to operate as a motor carrier.

Sec. 35. [APPROPRIATION.]

\$ is appropriated from the trunk highway fund for the fiscal

year ending June 30, 1993, for the purpose of implementing sections 1 to 34. Of this amount, \$ is appropriated to the commissioner of transportation and \$ is appropriated to the transportation regulation board. The complement of the department of transportation is increased by positions. The complement of the transportation regulation board is increased by positions.

Sec. 36. [REPEALER.]

Minnesota Statutes 1990, section 221.011, subdivision 11, is repealed.

Sec. 37. [EFFECTIVE DATE.]

Sections 1 to 32 and 36 are effective January 1, 1993. Section 33 is effective the day following final enactment. Sections 34 and 35 are effective July 1, 1992."

Amend the title as follows:

Page 1, line 14, delete "168.013, subdivision 1e:"

Page 1, line 15, delete "28."

Page 1, line 23, delete "subdivisions 11 and 17" and insert "subdivision 11"

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. 2196: A bill for an act relating to human services; providing for notice to vendors when payments on behalf of a recipient will be reduced or terminated; limiting the liability of the state and county for damages claimed by vendors due to failure of a recipient to pay for rent, goods, or services; amending Minnesota Statutes 1990, section 256.81.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 2, before "The" insert:

"(3)"

Page 2, lines 5 and 8, after "payments" insert "of rent"

Page 2, line 6, before the comma, insert "and if the recipient consents"

Page 2, line 11, after "payments" insert "of rent" and after the period, insert "When the county notifies a vendor that vendor payments of rent will be reduced or terminated, the county shall include in the notice that it is illegal to discriminate on the grounds that a person is receiving public assistance and the penalties for violation. The county shall also notify the recipient that it is illegal to discriminate on the grounds that a person is receiving public assistance and the procedures for filing a complaint. The county agency may develop procedures, including using the MAXIS system, to implement vendor notice and may charge vendors a fee not exceeding \$5 to cover notification costs.

(4)"

Page 2, line 16, after "pay" insert "or to notify"

Page 2, line 20, strike "(3)" and insert "(5)"

Page 2, line 22, strike "(4)" and insert "(6)"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1965: A bill for an act relating to human services; directing the commissioner of human services to exempt intermediate care facilities for persons with mental retardation from Minnesota Rules, parts 9525.0215 to 9525.0430.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, 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 relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs;

(4) opinions of the attorney general;

(5) the systems architecture plan and long-range plan of the state education management information system provided by section 121.931;

(6) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;

(7) the occupational safety and health standards provided in section 182.655; ~~or~~

(8) revenue notices and tax information bulletins of the commissioner of revenue; *or*

(9) *interpretive guidelines published by the commissioner of human services under section 245A.092.*

Sec. 2. [245A.091] [EXEMPTION FROM CERTAIN RULE PARTS GOVERNING RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

A Minnesota residential program certified under federal standards by the department of health as an intermediate care facility for persons with mental retardation or related conditions is exempt from the following Minnesota Rules parts:

- (1) part 9525.0235, subparts 4; 6; 7; 8; 10, items A and B; and 12 to 15;
- (2) part 9525.0243;
- (3) part 9525.0245, subparts 2, items A, C, D, E, F; 4 to 7; and 9;
- (4) part 9525.0255, subparts 1, items B, D, and F; and 3;
- (5) part 9525.0265, subparts 1, items A and C; 3, items A to F; 5; and 8, items A and B;
- (6) part 9525.0275;
- (7) part 9525.0285, subparts 2 and 3;
- (8) part 9525.0295, subparts 5, item B, subitem (3); and 6;
- (9) part 9525.0305, subparts 2, 3, items C, E, and F; and 5;
- (10) part 9525.0315, subparts 1; 2; and 3, items A to D;
- (11) part 9525.0325, subpart 3, items A, D to G, and I to K;
- (12) part 9525.0335, items C, E, F, H to J, and K, subitems (2) and (3); and
- (13) part 9525.0345, subparts 1, item B, subitem (2); 2, item A; 3 to 5; and 6, items A and B.

Sec. 3. [245A.092] [INTERPRETIVE GUIDELINES.]

Subdivision 1. [AUTHORITY.] The commissioner of human services may make, adopt, and publish interpretive guidelines. An "interpretive guideline" 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. An interpretive guideline is published for the information and guidance of consumers, providers of service, county social service agencies, the department of human services, and others concerned.

Subd. 2. [EFFECT.] An interpretive guideline does not have the force and effect of law and has no precedential effect, but may be relied on by consumers, providers of service, and others concerned until revoked or modified. An interpretive guideline may be expressly revoked or modified by the commissioner, by the issuance of an interpretive guideline, but may not be revoked or modified retroactively to the detriment of the consumers, providers of services, county social service agencies, the department of human services, and others concerned. A change in the law or an interpretation of the law, whether in the form of a statute, court decision, administrative rule, or interpretive guideline, which occurs after an interpretive guideline is issued, results in revocation or modification of the guideline to the extent that the changed law affects the guideline.

Subd. 3. [RETROACTIVITY.] An interpretive guideline is interpretive of existing law and is retroactive to the effective date of the applicable law provision unless otherwise stated in the guideline.

Subd. 4. [ISSUANCE.] The issuance of an interpretive guideline is at the discretion of the commissioner of human services. The commissioner shall establish procedures governing the issuance of interpretive guidelines.

Subd. 5. [PUBLICATION.] The commissioner shall publish interpretive guidelines 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 the publications. Interpretive guidelines are effective upon publication in the State Register.

Sec. 4. [REVISION OF RULES GOVERNING RESIDENTIAL PROGRAMS FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Prior to September 1, 1992, the commissioner shall begin the process of revising Minnesota Rules, parts 9525.0215 to 9525.0355, in accordance with the procedures set out in Minnesota Statutes, chapter 14.

Sec. 5. [REPORT TO THE LEGISLATURE.]

The commissioner shall submit a report to the legislature by January 31, 1993, on progress with respect to the following: (1) development of a single rule containing policy directives and common goals and outcomes for all licensed programs for persons with mental retardation or related conditions; (2) increasing efficiency in completion of vulnerable adult and maltreatment of minor investigations, in licensed programs, in consultation with the commissioner of health; and (3) development of a technical assistance project to assist providers in avoiding negative license actions."

Delete the title and insert:

"A bill for an act relating to human services: exempting interpretive guidelines published by the commissioner of human services from the definition of rules; exempting intermediate care facilities for persons with mental retardation or related conditions from specific Minnesota Rules; authorizing the commissioner to make, adopt, and publish interpretive guidelines; directing the commissioner to revise Minnesota Rules, parts 9525.0215 to 9525.0355; directing the commissioner to submit a report; amending Minnesota Statutes 1991 Supplement, section 14.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245A."

And when so amended the bill do pass. Mr. Waldorf questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2341 for comparison with companion Senate File, reports the following House File was found 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.
				2341	1914

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. 2924 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.
2924	2486				

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. 2769 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.
				2769	2531

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. 2046 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.
				2046	2437

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. 1978 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.
1978	1824				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1978 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1978 and insert the language after the enacting clause of S.F. No. 1824, the first engrossment; further, delete the title of H.F. No. 1978 and insert the title of S.F. No. 1824, the first engrossment.

And when so amended H.F. No. 1978 will be identical to S.F. No. 1824, and further recommends that H.F. No. 1978 be given its second reading and substituted for S.F. No. 1824, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2438 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.
2438	2367				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2438 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2438 and insert the language after the enacting clause of S.F. No. 2367, the first engrossment; further, delete the title of H.F. No. 2438 and insert the title of S.F. No. 2367, the first engrossment.

And when so amended H.F. No. 2438 will be identical to S.F. No. 2367, and further recommends that H.F. No. 2438 be given its second reading and substituted for S.F. No. 2367, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 1350 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.
				1350	1139

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1350 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1350 and insert the language after the enacting clause of S.F. No. 1139, the first engrossment; further, delete the title of H.F. No. 1350 and insert the title of S.F. No. 1139, the first engrossment.

And when so amended H.F. No. 1350 will be identical to S.F. No. 1139, and further recommends that H.F. No. 1350 be given its second reading and substituted for S.F. No. 1139, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2287 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.
				2287	1970

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2287 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2287 and insert the language after the enacting clause of S.F. No. 1970, the first engrossment; further, delete the title of H.F. No. 2287 and insert the title of S.F. No. 1970, the first engrossment.

And when so amended H.F. No. 2287 will be identical to S.F. No. 1970, and further recommends that H.F. No. 2287 be given its second reading and substituted for S.F. No. 1970, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2225 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.
				2225	2412

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. 2640 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.
				2640	2408

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2640 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2640 and insert the language after the enacting clause of S.F. No. 2408, the first engrossment; further, delete the title of H.F. No. 2640 and insert the title of S.F. No. 2408, the first engrossment.

And when so amended H.F. No. 2640 will be identical to S.F. No. 2408, and further recommends that H.F. No. 2640 be given its second reading and substituted for S.F. No. 2408, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2099 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.
				2099	2374

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2099 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2099 and insert the language after the enacting clause of S.F. No. 2374, the first engrossment; further, delete the title of H.F. No. 2099 and insert the title of S.F. No. 2374, the first engrossment.

And when so amended H.F. No. 2099 will be identical to S.F. No. 2374, and further recommends that H.F. No. 2099 be given its second reading and substituted for S.F. No. 2374, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2137 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.
2137	2048				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2137 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2137 and insert the language after the enacting clause of S.F. No. 2048, the first engrossment; further, delete the title of H.F. No. 2137 and insert the title of S.F. No. 2048, the first engrossment.

And when so amended H.F. No. 2137 will be identical to S.F. No. 2048, and further recommends that H.F. No. 2137 be given its second reading and substituted for S.F. No. 2048, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. DeCramer from the Committee on Transportation, to which were referred the following appointments as reported in the Journal for February 24, 1992:

**DEPARTMENT OF PUBLIC SAFETY
COMMISSIONER**

Thomas M. Frost

**DEPARTMENT OF TRANSPORTATION
COMMISSIONER**

James N. Denn

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Bertram from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for March 20, 1992:

BOARD OF THE ARTS

Dolly Fiterman
Teresa K. Parker
M. Judith Schmidt

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Elaine R. Mathiason
Dennis E. McNeil

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Bertram from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for March 14, 1991:

BOARD OF THE ARTS

Lucy Rieth
Elizabeth C. Whitbeck
Joseph Duffy
Conrad Razidlo

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Bertram from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for February 24, 1992:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

James H. Main
Robert W. Reif, M.D.

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 2555: A bill for an act relating to education: establishing a higher education savings plan; appropriating money; amending Minnesota Statutes 1990, section 136A.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Reports the 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 136A.121, is amended by adding a subdivision to read:

Subd. 18. [EXCLUSION OF CERTAIN AMOUNTS FROM ELIGIBILITY CALCULATIONS.] In determining student eligibility for a state grant, the value of allocation units in the higher education savings incentive fund established in section 2 shall be excluded from determination of family assets, and the amount received upon redemption shall be excluded from income. Principal and interest on United States savings bonds used to finance higher education shall also be excluded up to the amount excluded from federal income taxation.

Sec. 2. [290.137] [HIGHER EDUCATION SAVINGS PLAN.]

Subdivision 1. [POLICY.] The governor and legislature believe higher education is becoming more important to survival and success in an increasingly competitive and complex job market. Future jobs will require more education beyond the high school level. Given this, the earlier parents start saving for their children's education, the better prepared they will be to provide for their children's future. Providing information and opportunities to increase family saving for higher education is in the public interest.

Subd. 2. [OPTION FOR TAKING INCOME TAX AND PROPERTY TAX REFUNDS IN THE FORM OF UNITED STATES SAVINGS BONDS.] Every individual who is eligible for either a refund of payments made for the Minnesota individual income tax or a property tax refund may elect to take all or a portion of the refund in the form of United States savings bonds. The commissioner of revenue is authorized to engage in transactions necessary to provide the refund of bonds authorized by this subdivision. The commissioner of revenue, in consultation with the higher education coordinating board, shall include in the instructions for filing income taxes and property tax refund claims information about the present and future costs of higher education, the importance of beginning early to save for these expenses, alternative strategies for saving, and a description of current federal law relating to the taxation of earnings on United States savings bonds used for financing higher education.

Subd. 3. [HIGHER EDUCATION SAVINGS INCENTIVE FUND.] There shall be created in the state treasury a higher education savings incentive fund.

Deposits to the fund may come from gifts from corporations, individuals, or foundations designated for the fund.

Assets of the fund shall be managed by the state board of investment. Assets of the fund shall be used only for providing savings incentive grants to taxpayers taking refunds in the form of United States savings bonds through the option established in subdivision 2, and to taxpayers providing evidence, at the time of tax payment or refund application, that they purchased United States savings bonds during the tax year for which the tax form or refund form applies.

The executive director of the higher education coordinating board shall manage the allocation of investment earnings of the fund, and manage disbursements from the fund. The executive director shall annually award allocation units to eligible purchasers of United States savings bonds based on the following principles or constraints:

(1) one allocation unit shall be awarded for every \$1 of face value of bonds purchased or taken as a refund, but no more than 4,000 allocation units per child may be awarded to an eligible purchaser in any cohort year;

(2) eligible purchasers of United States savings bonds within a given year shall comprise a cohort identifiable by the year;

(3) the saving incentive fund assets associated with any year's cohort shall be the smaller of:

(i) the accumulated assets not associated with any prior year's cohort; or

(ii) the number of allocation units for the cohort; and

(4) to be eligible for allocation units, the modified adjusted federal gross income of a filer purchasing United States savings bonds cannot exceed the modified adjusted gross income for which full exclusion of savings bond interest from federal taxation applies for the filer's filing status group.

Final allocation units applicable to returns due by April 15 will be announced as soon as possible after April 15.

The state board of investment may invest the assets of the fund in those securities it deems appropriate.

An individual who has been awarded allocation units for a yearly cohort may redeem the units for a savings incentive grant only upon submission of proof that United States savings bonds were cashed in for purposes of meeting the costs of higher education, and that the holder of the bonds was eligible for a full or partial exclusion of savings bond interest from federal taxation. The individual's savings incentive grant shall be calculated as the smaller of:

(i) the product of the total investment earnings for the cohort times the ratio of the individual's allocation units for the cohort to the total allocation units for the cohort; or

(ii) the amount of interest earned on the United States savings bonds for which the individual was awarded allocation units. Allocation units not redeemed within 25 years of award shall be cancelled.

An individual must certify that amounts received from the savings incentive fund will be used for post-secondary educational purposes.

The state pledges and agrees with all contributors to the higher education savings incentive fund to use the funds contributed solely for providing incentives to individuals for saving for the future costs of higher education.

The higher education coordinating board may adopt rules necessary to implement this subdivision.

Sec. 3. [EFFECTIVE DATES.]

(a) Section 1 is effective July 1, 1994, for grants awarded for the 1994-1995 academic year.

(b) Section 2, subdivisions 1 and 2, are effective on the day following final enactment. Provisions relating to income tax forms or property tax refund forms will be effective for the forms used to file for taxable years beginning after December 31, 1992.

(c) Section 2, subdivision 3, is effective no earlier than July 1, 1993, for

share awards allocated after July 1, 1994, if the following conditions are met:

(1) the federal Internal Revenue Service has formally issued opinions, rulings, or determinations that:

(i) individual, corporate, or foundation contributions to the higher education savings incentive fund will be exempt from federal taxation under current rules relating to contributions to charitable organizations;

(ii) the board of investment will not be obligated to pay taxes on any income earned on contributions to the higher education savings incentive fund;

(iii) shares allocated to individuals under the conditions established in section 2, subdivision 3, will be exempt from taxation prior to the time the shares are cashed in; and

(iv) address the taxability of income derived by individuals at the time they cash in the shares that have been allocated to them; and

(2) the legislative commission on planning and fiscal policy has determined that:

(i) the annual costs of administering individual accounts and managing assets in the higher education savings incentive fund will not exceed one percent of the value of estimated assets; and

(ii) there is a high probability that annual contributions to the fund will be at least \$5,000,000.

Sec. 4. [APPROPRIATION.]

\$50,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of revenue for purposes of this act."

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. 2199: A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; requiring labeling of rechargeable batteries; requiring studies on automobile waste, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; authorizing rule-making; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115.071, subdivision 1; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.93, by adding a subdivision; 115A.981; 325E.12; 325E.125, subdivision 1; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivision 5; 115A.93, subdivision 3; 115A.931;

325E.1251, subdivision 2; and 473.849; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapter 115A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete section 3 and insert:

“Sec. 3. [16B.125] [PACKING MATERIALS.]

A public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from other resources. For the purposes of this section, “packing material” means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package.”

Page 5, line 28, delete “October” and insert “March”

Page 5, line 30, before “recycling” insert “estimated”

Page 5, line 32, strike “fiscal” and insert “calendar”

Page 6, after line 5, insert:

“Sec. 11. Minnesota Statutes 1990, section 115A.32, is amended to read:

115A.32 [RULES.]

The office board shall promulgate rules pursuant to chapter 14 to govern its activities under sections 115A.32 to 115A.39. For the purposes of sections 115A.32 to 115A.39, “board” means the environmental quality board established in section 116C.03. In all of its activities and deliberations under sections 115A.32 to 115A.39, the board shall consult with the director of the office of waste management.”

Page 6, after line 15, insert:

“Sec. 13. [115A.5501] [REDUCTION OF PACKAGING IN WASTE.]

Subdivision 1. [STATEWIDE WASTE PACKAGING REDUCTION GOAL.] It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to solid waste composting, incineration, refuse derived fuel and disposal facilities by July 1, 1995, based on a reasonable estimate of the amount of packaging that was delivered to solid waste composting, incineration, and disposal facilities in fiscal year 1992.

Subd. 2. [MEASUREMENT; PROCEDURES.] To measure the overall percentage of packaging in the statewide solid waste stream, the commissioner and the chair of the metropolitan council, in consultation with the director, shall each conduct an annual four-season solid waste composition study in the nonmetropolitan and metropolitan areas respectively or shall develop an alternative statistically reliable method to measure the percentage of packaging in the waste stream.

Beginning in 1992, the chair of the council shall submit the results from the metropolitan area to the commissioner by August 15 of each year. The commissioner shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the director by August 31 of each year. The director

shall report the information to the legislative commission on waste management by November 15 of each year.

Subd. 3. [FACILITY COOPERATION AND REPORTS.] The owner or operator of a solid waste composting, incineration, refuse derived fuel or disposal facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.

Beginning in 1992, by August 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, information specifying the total amount of solid waste received by the facility between July 1 of the previous year and June 30 of the year the report is made. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by August 31 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of \$500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Subd. 4. [REPORT.] The director shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By November 15, 1995, the director shall submit to the legislative commission on waste management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal."

Page 7, line 10, delete "at least ten percent" and insert "the label or other indication states the percentage"

Page 7, line 11, after "package" insert "that"

Page 8, line 6, strike "EXEMPTION" and insert "WASTES SUBJECT TO DESIGNATION; EXEMPTIONS"

Page 8, after line 6, insert:

"Subdivision 1. [APPLICATION.] Designation applies to the following wastes:

(1) mixed municipal solid waste; and

(2) other solid waste that prior to final processing or disposal:

(i) is not managed as a separate waste stream; or

(ii) is managed as a separate waste stream using a waste management practice that is ranked lower on the list of waste management practices in section 115A.02, paragraph (b), than the primary waste management practice that would be used on the waste at the designated facility."

Page 8, line 7, before "The" insert "Subd. 2. [EXEMPTION.]"

Page 8, line 8, reinstate the stricken "separated from" and reinstate the stricken "solid"

Page 8, line 9, reinstate the stricken language

Page 8, line 10, reinstate the stricken language and delete the new language

Page 8, lines 11 to 18, delete the new language

Page 8, line 21, reinstate the stricken language and delete the new language

Page 8, line 27, delete "or"

Page 8, delete lines 28 to 30 and insert:

"(4) materials separated from construction debris prior to final processing or disposal if the materials are managed using a waste management practice that is ranked on the list of waste management practices in section 115A.02, paragraph (b), at the same level as or higher than the primary waste management practice at the designated facility; or

(5) recyclable materials that are being recycled, and residual sludges from paper recycling if there is at least an 85 percent volume reduction in the solid waste processed at the paper recycling facility and the residuals are managed as separate waste streams."

Page 8, lines 31 to 33, reinstate the stricken language

Page 9, after line 2, insert:

"Sec. 19. Minnesota Statutes 1990, section 115A.87, is amended to read:
115A.87 [JUDICIAL REVIEW.]

(a) An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

(b) A person bringing an action challenging a designation ordinance or the implementation of a designation ordinance shall first notify the attorney general. The attorney general may intervene in any administrative or court action to represent the state's interest in designation of solid waste.

Sec. 20. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or products powered by ~~nonremovable~~ rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans."

Page 9, after line 13, insert:

"Sec. 22. Minnesota Statutes 1991 Supplement, section 115A.919, subdivision 3, is amended to read:

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 any fee imposed by a county under this section if:

(1) there is at least an 85 percent volume reduction in the solid waste processed; *or*

(2) *for facilities processing only construction debris, the volume reduction is at least 65 percent.*

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."

Page 10, line 18, before "composting" insert "reuse," and before "or" insert a comma

Page 10, line 35, delete "(a)"

Page 11, line 2, delete everything after "(1)"

Page 11, line 3, delete "material and"

Page 11, line 4, delete "vegetable oil-based"

Page 11, line 6, delete "significant" and insert "unreasonable"

Page 11, delete lines 8 to 14

Page 11, line 20, after the semicolon, insert "and"

Page 11, line 21, delete "maintain records that specify" and insert "annually submit a report to the office of waste management specifying"

Page 11, line 22, delete "and" and insert a period

Page 11, delete lines 23 to 26 and insert:

"The office of waste management shall prepare and submit a summary report to the legislative commission on waste management."

Page 13, after line 24, insert:

"Sec. 29. Minnesota Statutes 1991 Supplement, section 116.90, is amended to read:

116.90 [REFUSE DERIVED FUEL.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Agency" means the pollution control agency.

(c) "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)~~ (d) "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)~~ (e) "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:

(i) is produced by a facility for which a permit was issued by the agency before June 1, 1991; or

(ii) is produced by an agency-permitted facility designed as part of a regional waste management system, and the refuse derived fuel producer has contracted with an end user to combust the fuel; and

(5) the owner or operator of the solid fuel fired boiler gives prior written notice to the commissioner of the agency of the amount of refuse derived fuel expected to be used and the date on which the use is expected to begin.

(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.

(c) The agency may not require, as a condition of using refuse derived fuel under this section, any additional monitoring or testing of a solid fuel fired boiler's air emissions beyond the monitoring or testing required by statute or by the terms of the solid fuel fired boiler's permit issued by the agency, if any.

Sec. 30. Minnesota Statutes 1991 Supplement, section 116C.852, is amended to read:

116C.852 [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

~~At~~ (a) Except as provided in paragraph (b), low-level radioactive waste

that may not be treated, recycled, stored, or disposed of in this state shall conform to applicable federal and state requirements except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste, regardless of whether or not the waste has been reclassified as "below regulatory concern" by the United States Nuclear Regulatory Commission pursuant to under a generic rule or standard adopted after January 1 July 2, 1990.

(b) Paragraph (a) does not apply to treatment, recycling, storage, or disposal of low-level radioactive waste that is specifically authorized under a license issued by the United States Nuclear Regulatory Commission, or is otherwise authorized under regulations of the United States Nuclear Regulatory Commission in effect on July 2, 1990."

Page 14, line 5, delete "used in the battery"

Page 14, line 6, delete "and address"

Page 14, after line 16, insert:

"Sec. 34. [325E.39] [SALE OF PETROLEUM-BASED SWEEPING COMPOUND PRODUCTS PROHIBITED.]

Subdivision 1. [PROHIBITION.] A person may not knowingly offer for sale or knowingly sell any sweeping compound product containing petroleum oil.

Subd. 2. [PENALTY.] A person who violates this section is guilty of a misdemeanor.

Sec. 35. Minnesota Statutes 1990, section 400.08, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] *(a) The rates and charges may be billed and collected in a manner the board shall determine.*

(b) On or before October 15 in each year, the county board may certify to the county auditor all unpaid outstanding charges, and a description of the lands against which the charges arose. It shall be the duty of the county auditor, upon order of the county board, to extend the assessments, with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the assessment is filed. For each year ending October 15 the assessment with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state.

(c) In addition to any other manner of collection that may be established under paragraph (a), a county may:

(1) require as a condition of a license issued under section 115A.93 that the licensee collect service charges established under subdivision 3 from solid waste generators for remittal to the county; and

(2) audit a licensed collector's records to ensure that all charges collected are remitted to the county.

Sec. 36. Minnesota Statutes 1990, section 400.08, subdivision 5, is amended to read:

Subd. 5. [FINANCIAL INCENTIVES TO RECYCLE.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for ~~collection or disposal~~ *solid waste management services* that vary depending on the volume of waste generated;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste."

Page 15, line 7, before "No" insert "(a)"

Page 15, after line 20, insert:

"(b) Until January 1, 1995, the prohibition in paragraph (a) applies only to unprocessed solid waste generated in the metropolitan area. For the purposes of this section, "unprocessed" has the meaning given in section 473.848, subdivision 5."

Page 15, after line 29, insert:

"Sec. 40. Laws 1990, chapter 600, section 7, is amended to read:

Sec. 7. [DUTIES OF THE ADVISORY TASK FORCE ON LOW-LEVEL RADIOACTIVE WASTE DEREGULATION.]

The advisory task force on low-level radioactive waste deregulation shall:

(1) design and initiate a study that will be a cost-benefit analysis of deregulation of "low-level" radioactive waste costs, including health, and environmental costs and effects, including both dollar and nondollar effects in both the long-term and the short-term;

(2) determine who will conduct the study;

(3) determine the timelines for the study;

(4) evaluate the cost-benefit study; and

(5) make a recommendation on continuation of the moratorium and other recommendations to the legislature by January 1, ~~1994~~ 1996."

Page 16, after line 32, insert:

"Sec. 44. [ASSESSMENT OF REGIONAL WASTE MANAGEMENT NEEDS.]

By July 15, 1993, the director of the office of waste management, in consultation with, and after approval of metropolitan area information by, the chair of the metropolitan council, shall submit to the legislative commission on waste management a preliminary assessment of the need for additional regional solid waste management capacity in the state, including the metropolitan area. The preliminary assessment must be based on a review of existing county solid waste management plans, the current metropolitan solid waste management policy plan, and the current metropolitan counties' solid waste management master plans. The preliminary assessment of need for additional capacity must identify likely regions of the state, based on the current patterns for the flow and management of waste, within which the needs for capacity can be most efficiently and economically met. The assessment must be made in light of existing facilities and the waste

management priorities and policies stated in Minnesota Statutes, section 115A.02, with strong emphasis given to the potential for significant improvements in waste reduction and recycling.

Sec. 45. [DEGRADABLE LOOSE FOAM PACKING MATERIAL; REPORT.]

Subdivision 1. [DUTIES.] The director of the office of waste management shall study the feasibility and consequences of requiring public entities and private industry to use degradable loose foam packing material manufactured from vegetable starches.

Subd. 2. [REPORT.] The director of the office of waste management shall report its findings, along with any proposed legislation the director believes necessary, to the legislative commission on waste management by January 1, 1993.

Sec. 46. [COUNTY RECYCLING; REPORT; 1991.]

For the reports due on August 1, 1992, under Minnesota Statutes, section 115A.557, subdivision 3, counties shall report recycling rates and information for calendar year 1991 rather than for the previous fiscal year.

Sec. 47. [EFFECTIVE DATE OF SECTION 325E.125.]

The requirements of Minnesota Statutes, section 325E.125, subdivision 1, do not apply to batteries manufactured before July 1, 1993."

Page 16, after line 33, insert:

"(a) The revisor of statutes is directed to change the words "office," "office's," "director," and "director of the office of waste management" wherever they appear in Minnesota Statutes, sections 115A.32 to 115A.39, to "board," "board's," "chair," and "chair of the board" respectively in the 1992 and subsequent editions of Minnesota Statutes.

(b)"

Page 17, line 4, delete "11, 12, 18, 20" and insert "12, 14, 23, 25" and delete "and 22" and insert "27"

Page 17, line 5, after "3," insert "and 34"

Page 17, line 6, delete "13" and insert "15"

Page 17, after line 7, insert:

"Sections 19, 29, 30, 35, and 36 are effective the day following final enactment."

Page 17, line 8, delete "19 and 20" and insert "24 and 25"

Page 17, line 10, delete "Section 22" and insert "Sections 3 and 27"

Page 17, after line 11, insert:

"Section 32 is effective July 1, 1993, and applies to batteries manufactured on or after that date."

Page 17, line 12, delete "29" and insert "39"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "moving from the office

of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting;"

Page 1, line 6, after the semicolon, insert "expanding fee exemptions for waste residue from certain construction debris processing facilities;"

Page 1, line 11, after the semicolon, insert "changing provisions relating to low-level radioactive waste;"

Page 1, line 14, after the semicolon, insert "requiring an assessment of regional waste management needs;"

Page 1, lines 17 and 18, delete "115.071, subdivision 1;"

Page 1, line 19, after the second semicolon, insert "115A.32;"

Page 1, line 21, after the semicolon, insert "115A.87;"

Page 1, line 23, after "1;" insert "400.08, subdivisions 4 and 5;"

Page 1, line 26, delete "subdivision" and insert "subdivisions 4 and" and after the second semicolon, insert "115A.919, subdivision 3;"

Page 1, line 27, before "325E.1251" insert "116.90; 116C.852;"

Page 1, line 28, after "473.849;" insert "Laws 1990, chapter 600, section 7;"

Page 1, line 29, delete "chapter" and insert "chapters 16B;" and before the period, insert "; and 325E"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2510, 2743, 2196 and 2199 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2341, 2924, 2769, 2046, 1978, 2438, 1350, 2287, 2225, 2640, 2099 and 2137 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that S.F. No. 2173, No. 19 on General Orders, be stricken and returned to its author. The motion prevailed.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 1969: A bill for an act relating to education; providing for the location of a school within a retail and entertainment complex within the city of Bloomington.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Morse	Sams
Beckman	Day	Johnston	Neuville	Samuelson
Belanger	DeCramer	Knaak	Novak	Solon
Benson, D.D.	Dicklich	Laidig	Olson	Spear
Benson, J.E.	Finn	Larson	Pappas	Terwilliger
Berglin	Flynn	Lessard	Pariseau	Traub
Bernhagen	Frank	Luther	Piper	Vickerman
Bertram	Frederickson, D.R.	Marty	Pogemiller	Waldorf
Brataas	Hottinger	Mehrkens	Price	
Chmielewski	Hughes	Metzen	Ranum	
Cohen	Johnson, D.E.	Moe, R. D.	Renneke	
Dahl	Johnson, D.J.	Mondale	Riveness	

So the bill passed and its title was agreed to.

H.F. No. 2375: A bill for an act relating to metropolitan government; providing a name for the transportation accessibility advisory committee; amending Minnesota Statutes 1990, section 473.386, subdivisions 2 and 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mondale	Riveness
Beckman	Day	Johnston	Morse	Sams
Belanger	DeCramer	Knaak	Neuville	Samuelson
Benson, D.D.	Dicklich	Laidig	Novak	Solon
Benson, J.E.	Finn	Larson	Olson	Spear
Berg	Flynn	Lessard	Pappas	Terwilliger
Berglin	Frank	Luther	Pariseau	Traub
Bernhagen	Frederickson, D.R.	Marty	Piper	Vickerman
Bertram	Gustafson	McGowan	Pogemiller	Waldorf
Brataas	Hottinger	Mehrkens	Price	
Chmielewski	Hughes	Merriam	Ranum	
Cohen	Johnson, D.E.	Metzen	Reichgott	
Dahl	Johnson, D.J.	Moe, R. D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1898: A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, section 144.413, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mondale	Riveness
Beckman	DeCramer	Johnston	Morse	Sams
Belanger	Dicklich	Knaak	Neuville	Samuelson
Benson, D.D.	Finn	Laidig	Novak	Solon
Benson, J.E.	Flynn	Larson	Olson	Spear
Berg	Frank	Lessard	Pappas	Terwilliger
Berglin	Frederickson, D.J.	Luther	Pariseau	Traub
Bernhagen	Frederickson, D.R.	Marty	Piper	Vickerman
Bertram	Gustafson	McGowan	Pogemiller	Waldorf
Brataas	Hottinger	Mehrrens	Price	
Chmielewski	Hughes	Merriam	Ranum	
Cohen	Johnson, D.E.	Metzen	Reichgott	
Dahl	Johnson, D.J.	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2111: A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, 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	Laidig	Novak	Solon
Berg	Flynn	Larson	Olson	Spear
Berglin	Frank	Lessard	Pappas	Terwilliger
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Gustafson	McGowan	Pogemiller	Waldorf
Chmielewski	Hottinger	Mehrrens	Price	
Cohen	Hughes	Merriam	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1558: A bill for an act relating to retirement; Duluth fire and police pension plans; authorizing a joint consolidation account in the event of the consolidation of the Duluth fire department relief association with the public employees police and fire fund.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Metzen	Reichgott
Beckman	Davis	Johnson, D.E.	Moe, R.D.	Renneke
Belanger	Day	Johnson, D.J.	Mondale	Riveness
Benson, D.D.	DeCramer	Johnson, J.B.	Morse	Sams
Benson, J.E.	Dicklich	Johnston	Novak	Samuelson
Berg	Finn	Knaak	Olson	Solon
Berglin	Flynn	Laidig	Pappas	Spear
Bernhagen	Frank	Larson	Pariseau	Terwilliger
Bertram	Frederickson, D.J.	Lessard	Piper	Traub
Brataas	Frederickson, D.R.	Luther	Pogemiller	Vickerman
Chmielewski	Gustafson	McGowan	Price	Waldorf
Cohen	Hottinger	Mehrrens	Ranum	

So the bill passed and its title was agreed to.

H. F. No. 2465: A bill for an act relating to veterans; clarifying procedures for searches of veterans' home residents' rooms or property; amending Minnesota Statutes 1990, sections 198.33, subdivision 1; and 365A.06, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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	Laidig	Novak	Solon
Berg	Flynn	Larson	Olson	Spear
Berglin	Frank	Lessard	Pappas	Terwilliger
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Gustafson	McGowan	Pogemiller	Waldorf
Chmielewski	Hottinger	Mehrkens	Price	
Cohen	Hughes	Merriam	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S. F. No. 1755: A bill for an act relating to local government; compensating the city of White Bear Lake by Ramsey county for improvements made to the Manitou Ridge Golf Course; amending Minnesota Statutes 1990, section 383A.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 53 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Renneke
Beckman	Day	Johnson, D.J.	Moe, R.D.	Riveness
Belanger	Dicklich	Johnson, J.B.	Morse	Sams
Benson, D.D.	Finn	Johnston	Neuville	Samuelson
Benson, J.E.	Flynn	Knaak	Olson	Solon
Berg	Frank	Laidig	Pariseau	Terwilliger
Berglin	Frederickson, D.J.	Larson	Piper	Traub
Bernhagen	Frederickson, D.R.	Lessard	Pogemiller	Vickerman
Bertram	Gustafson	Luther	Price	Waldorf
Brataas	Hottinger	McGowan	Ranum	
Chmielewski	Hughes	Mehrkens	Reichgott	

Those who voted in the negative were:

Cohen	DeCramer	Marty	Mondale	Pappas
Davis	Kelly	Merriam	Novak	Spear

So the bill passed and its title was agreed to.

S. F. No. 1972: A bill for an act relating to highways; directing the commissioner of transportation to erect a directional sign on interstate highway No. 94 in St. Paul.

Was read the third time 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 9, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Marty	Ranum
Beckman	Davis	Johnson, D.E.	Metzen	Reichgott
Benson, D.D.	Day	Johnson, D.J.	Moe, R.D.	Riveness
Berg	DeCramer	Johnson, J.B.	Mondale	Sams
Berglin	Dicklich	Johnston	Morse	Samuelson
Bernhagen	Finn	Kelly	Neuville	Solon
Bertram	Flynn	Knaak	Novak	Spear
Brataas	Frederickson, D.J.	Larson	Pappas	Terwilliger
Chmielewski	Frederickson, D.R.	Lessard	Pogemiller	Waldorf
Cohen	Hottinger	Luther	Price	

Those who voted in the negative were:

Belanger	Frank	Mehrkens	Pariseau	Vickerman
Benson, J.E.	Laidig	Olson	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2319: A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242, subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

Was read the third time 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.	Moe, R.D.	Renneke
Beckman	Day	Johnston	Mondale	Riveness
Belanger	DeCramer	Kelly	Morse	Sams
Benson, D.D.	Dicklich	Knaak	Neuville	Samuelson
Benson, J.E.	Finn	Laidig	Novak	Solon
Berg	Flynn	Larson	Olson	Spear
Berglin	Frank	Lessard	Pappas	Terwilliger
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Hottinger	McGowan	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrkens	Price	
Cohen	Johnson, D.E.	Merriam	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2376: A bill for an act relating to game and fish; management of aquatic vegetation and ginseng; rules for stamp design contests; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; and muskie size limits; amending Minnesota Statutes 1990, sections 84.091, subdivisions 1 and 3; 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, section 84.091, subdivision 2.

Mr. Berg moved that S.F. No. 2376, No. 17 on the Calendar, be stricken

and placed at the top of General Orders. The motion prevailed.

S.F. No. 2499: A bill for an act relating to natural resources; authorizing the establishment of the Mille Lacs preservation and development board; proposing coding for new law in Minnesota Statutes, chapter 103F.

Was read the third time 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	Johnston	Mondale	Riveness
Benson, D.D.	Dicklich	Kelly	Morse	Sams
Benson, J.E.	Finn	Knaak	Neuville	Samuelson
Berg	Flynn	Laidig	Novak	Solon
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Terwilliger
Bertram	Frederickson, D.R.	Luther	Pariseau	Traub
Brataas	Gustafson	Marty	Piper	Vickerman
Chmielewski	Hottinger	McGowan	Pogemiller	Waldorf
Cohen	Hughes	Mehrkens	Price	
Dahl	Johnson, D.E.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2389: A bill for an act relating to natural resources; allowing use of alternative rulemaking procedures for certain rules of the commissioner of natural resources; regulating activities relating to stromatolites; changing definitions; modifying provisions relating to game refuges, scientific and natural areas, experimental waters, and special management waters; expanding certain authorities relating to deer licenses; exempting certain rules of the commissioner from the administrative procedure act; allowing nonmetal tags for fish nets; authorizing rulemaking; amending Minnesota Statutes 1990, sections 86A.05, subdivision 5; 97A.015, subdivisions 15 and 40; 97A.085, subdivisions 2, 3, 4, 5, 8, and by adding a subdivision; 97A.411, subdivision 3; 97A.485, subdivision 9; 97C.001, subdivisions 1 and 3; 97C.005; 97C.351; and 103G.615, subdivision 3; Minnesota Statutes 1991 Supplement, sections 14.29, subdivision 4; and 97A.093; and Laws 1991, chapter 259, section 25, as amended; proposing coding for new law in Minnesota Statutes, chapter 84.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Moe, R. D.	Renneke
Beckman	Day	Johnston	Mondale	Riveness
Belanger	DeCramer	Kelly	Morse	Sams
Benson, D.D.	Dicklich	Knaak	Neuville	Samuelson
Benson, J.E.	Finn	Laidig	Novak	Solon
Berg	Flynn	Larson	Olson	Spear
Berglin	Frank	Lessard	Pappas	Terwilliger
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Hottinger	McGowan	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrkens	Price	
Cohen	Johnson, D.E.	Merriam	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2377: A bill for an act relating to education; allowing a temporary school board structure for districts operating a cooperative secondary facility; amending Minnesota Statutes 1990, section 124.494, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mondale	Riveness
Beckman	Day	Johnston	Morse	Sams
Belanger	DeCramer	Kelly	Neuville	Samuelson
Benson, D.D.	Dicklich	Knaak	Novak	Solon
Benson, J.E.	Finn	Laidig	Olson	Spear
Berg	Flynn	Larson	Pappas	Terwilliger
Berglin	Frank	Lessard	Pariseau	Traub
Bernhagen	Frederickson, D.J.	Luther	Piper	Vickerman
Bertram	Frederickson, D.R.	Marty	Pogemiller	Waldorf
Brataas	Hottinger	McGowan	Price	
Chmielewski	Hughes	Mehrkens	Ranum	
Cohen	Johnson, D.E.	Metzen	Reichgott	
Dahl	Johnson, D.J.	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1725: A bill for an act relating to public investments; providing that certain debt or equity securities are not approved for investment; amending Minnesota Statutes 1990, sections 11A.24, by adding a subdivision; and 473.666.

Was read the third time 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.	Moe, R.D.	Renneke
Beckman	Day	Johnston	Mondale	Riveness
Belanger	DeCramer	Kelly	Morse	Sams
Benson, D.D.	Dicklich	Knaak	Neuville	Samuelson
Benson, J.E.	Finn	Laidig	Novak	Solon
Berg	Flynn	Larson	Olson	Spear
Berglin	Frank	Lessard	Pappas	Terwilliger
Bernhagen	Frederickson, D.J.	Luther	Pariseau	Traub
Bertram	Frederickson, D.R.	Marty	Piper	Vickerman
Brataas	Hottinger	McGowan	Pogemiller	Waldorf
Chmielewski	Hughes	Mehrkens	Price	
Cohen	Johnson, D.E.	Merriam	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 2136: A bill for an act relating to labor; protecting interests of employees following railroad acquisitions; imposing a penalty; amending Minnesota Statutes 1990, sections 222.86, subdivision 3; 222.87, by adding a subdivision; and 222.88.

Was read the third time 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 5, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnston	Morse	Riveness
Beckman	Dicklich	Kelly	Neuville	Sams
Belanger	Finn	Laidig	Novak	Samuelson
Berg	Flynn	Lessard	Olson	Solon
Berglin	Frank	Luther	Pappas	Spear
Bernhagen	Frederickson, D.J.	Marty	Pariseau	Terwilliger
Bertram	Frederickson, D.R.	McGowan	Piper	Traub
Chmielewski	Hottinger	Mehrkens	Pogemiller	Vickerman
Cohen	Hughes	Merriam	Price	Waldorf
Dahl	Johnson, D.E.	Metzen	Ranum	
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	
Day	Johnson, J.B.	Mondale	Renneke	

Those who voted in the negative were:

Benson, D.D.	Benson, J.E.	Brataas	Knaak	Larson
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So the bill passed and its title was agreed to.

H.F. No. 2254: A bill for an act relating to occupations and professions; clarifying membership requirements for the board of pharmacy; amending Minnesota Statutes 1991 Supplement, section 151.03.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Mondale	Riveness
Beckman	DeCramer	Kelly	Morse	Sams
Belanger	Dicklich	Knaak	Neuville	Samuelson
Benson, D.D.	Finn	Kroening	Novak	Solon
Benson, J.E.	Flynn	Laidig	Olson	Spear
Berg	Frank	Larson	Pappas	Terwilliger
Berglin	Frederickson, D.J.	Lessard	Pariseau	Traub
Bernhagen	Frederickson, D.R.	Luther	Piper	Vickerman
Bertram	Hottinger	Marty	Pogemiller	Waldorf
Brataas	Hughes	McGowan	Price	
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Dahl	Johnson, D.J.	Metzen	Reichgott	
Davis	Johnson, J.B.	Moe, R.D.	Renneke	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Hughes moved that the report from the Committee on Elections and Ethics, reported March 2, 1992, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Hughes moved that the foregoing report be now adopted. The motion prevailed.

Mr. Hughes moved that in accordance with the report from the Committee on Elections and Ethics, reported March 2, 1992, the Senate, having given its advice, do now consent to and confirm the appointment of:

STATE ETHICAL PRACTICES BOARD

Elsa Carpenter, 4724 Emerson Avenue South, Minneapolis, Hennepin County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Douglas H. Sillers, Route 2, Box 180, Moorhead, Clay County, Minnesota, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

Emily Anne Staples, 1640 Xanthus Lane, Plymouth, Hennepin County, Minnesota, effective April 30, 1991, for a term expiring on the first Monday in January, 1995.

Bruce Willis, 2940 Walnut Grove Lane, Plymouth, Hennepin County, Minnesota, effective January 7, 1992, for a term expiring on the first Monday in January, 1996.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED**SUSPENSION OF RULES**

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 2337, 2256 and H.F. Nos. 1489, 2388, which the committee recommends to pass.

S.F. No. 1693, which the committee recommends to pass, subject to the following motions:

Mr. Waldorf moved to amend S.F. No. 1693 as follows:

Page 15, lines 3 and 13, delete "*public official*" and insert "*person*"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf then moved to amend S.F. No. 1693 as follows:

Page 15, line 10, before "*may*" insert "*or the person who would have committed suicide, in the case of an attempt,*"

Page 15, line 17, delete "*plus attorney fees*"

Page 15, line 24, before the period, insert "*or 5*"

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	Bertram	Frederickson, D.R.	Laidig	Renneke
Beckman	Chmielewski	Hughes	Larson	Sams
Belanger	Dahl	Johnson, D.E.	McGowan	Spear
Benson, D.D.	Davis	Johnston	Merriam	Stumpf
Benson, J.E.	Day	Kelly	Neuville	Vickerman
Berg	DeCramer	Knaak	Olson	Waldorf
Bernhagen	Frank	Kroening	Pariseau	

Those who voted in the negative were:

Berglin	Hottinger	Mehrkens	Piper	Traub
Brataas	Johnson, J.B.	Metzen	Price	
Cohen	Lessard	Mondale	Ranum	
Finn	Luther	Morse	Reichgott	
Flynn	Marty	Novak	Rivenness	

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend S.F. No. 1693 as follows:

Page 5, line 24, after the semicolon, insert "*or*"

Page 5, delete lines 25 and 26

Page 5, line 27, delete "*(4)*" and insert "*(3)*"

Page 6, line 7, after the semicolon, insert "*or*"

Page 6, delete lines 8 and 9

Page 6, line 10, delete "*(4)*" and insert "*(3)*"

Page 9, line 20, after the semicolon, insert "*or*"

Page 9, delete lines 21 and 22

Page 9, line 23, delete "*(iv)*" and insert "*(iii)*"

Page 11, line 23, after the semicolon, insert "*or*"

Page 11, delete lines 24 and 25

Page 11, line 26, delete "*(iv)*" and insert "*(iii)*"

Page 13, line 23, after the semicolon, insert "*or*"

Page 13, delete lines 24 and 25

Page 13, line 26, delete "*(d)*" and insert "*(c)*"

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:

Berglin	Flynn	Mondale	Pogemiller	Spear
Brataas	Hottinger	Morse	Price	Traub
Cohen	Johnson, J.B.	Novak	Ranum	
Dicklich	Luther	Pappas	Reichgott	
Finn	Marty	Piper	Rivenness	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.E.	McGowan	Sams
Beckman	Dahl	Johnson, D.J.	Mehrkens	Samuelson
Belanger	Davis	Johnston	Merriam	Solon
Benson, D.D.	Day	Knaak	Metzen	Stumpf
Benson, J.E.	DeCramer	Kroening	Neuville	Vickerman
Berg	Frank	Laidig	Olson	Waldorf
Bernhagen	Frederickson, D.R.	Larson	Pariseau	
Bertram	Hughes	Lessard	Renneke	

The motion did not prevail. So the amendment was not adopted.

The question was taken on the recommendation to pass S.F. No. 1693.

The roll was called, and there were yeas 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	Mehrkens	Ranum
Beckman	Dahl	Johnson, J.B.	Merriam	Reichgott
Belanger	Davis	Johnston	Metzen	Renneke
Benson, D.D.	Day	Kelly	Mondale	Riveness
Benson, J.E.	DeCramer	Knaak	Morse	Sams
Berg	Dicklich	Kroening	Neuville	Samuelson
Berglin	Finn	Laidig	Novak	Solon
Bernhagen	Frank	Larson	Olson	Spear
Bertram	Frederickson, D.R.	Lessard	Pappas	Vickerman
Brataas	Hughes	Luther	Pariseau	Waldorf
Chmielewski	Johnson, D.E.	McGowan	Price	

The motion prevailed. So S.F. No. 1693 was recommended to pass.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Messrs. Dicklich; Larson; Moe, R. D.; Ms. Johnson, J.B. and Mr. Benson, D.D. introduced—

S.F. No. 2779: A resolution memorializing the Congress of the United States to fund special education costs in the amount originally intended under Public Law Number 94-142.

Referred to the Committee on Education.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2780: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; authorizing assessments for debt service; appropriating money; amending Minnesota Statutes 1990, sections 16B.24, subdivision 2; 16B.30; 16B.31, subdivision 1; and 136C.05, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A and 136; repealing Minnesota Statutes 1990, section 136.03, subdivision 2.

Under the rules of the Senate, laid over one day.

Messrs. Beckman; Berg; Johnson, D.E.; Morse and Neuville introduced—

S.F. No. 2781: 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.

MEMBERS EXCUSED

Messrs. Halberg and Langseth were excused from the Session of today. Mr. Gustafson was excused from the Session of today at 12:45 p.m. Mr.

Kroening was excused from the Session of today from 12:00 noon to 1:45 p.m. Mr. Stumpf was excused from the Session of today from 12:00 noon to 12:50 p.m. Mr. Moe, R.D. was excused from the Session of today at 1:30 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 1:30 p.m., Monday, March 30, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-SEVENTH DAY

St. Paul, Minnesota, Monday, March 30, 1992

The Senate met at 1:30 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. J.A. Riveness.

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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
Bertram	Gustafson	Lessard	Pariseau	Traub
Brataas	Halberg	Luther	Piper	Vickerman
Chmielewski	Hottinger	Marty	Pogemiller	Waldorf
Cohen	Hughes	McGowan	Price	
Dahl	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2326 and 897. The motion prevailed.

Mr. Dahl from the Committee on Education, to which was re-referred

S.F. No. 1704: A bill for an act relating to local government; authorizing the creation of a neighborhood school readiness board in the city of Minneapolis and special school district No. 1; authorizing the acquisition and betterment and operation of neighborhood school readiness centers; authorizing the pledge and expenditure of local sales and use taxes.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, delete "SCHOOL READINESS" and insert "EARLY LEARNING"

Page 1, line 11, delete "*school readiness*" and insert "*early learning*"

Page 2, lines 2, 4, 7, 11, 25, and 27, delete "*school readiness*" and insert "*early learning*"

Page 3, line 16, after the period, insert "*The board shall expend a portion of the operating funds received by it from the city and the school district on the services provided under clause (5).*"

Page 3, lines 21, 25, and 32, delete "*school readiness*" and insert "*early learning*"

Page 4, line 4, delete "*school readiness*" and insert "*early learning*"

Amend the title as follows:

Page 1, lines 3 and 6, delete "school readiness" and insert "early learning"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Dahl from the Committee on Education, to which was referred

S.F. No. 2556: A bill for an act relating to education; including in the PER policy a procedure for parents to review the content of instructional materials; amending Minnesota Statutes 1990, section 126.666, 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 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; *and*
- (7) a procedure for a parent, guardian, or an adult student, 18 years of

age or older, to review the content of the instructional materials to be provided to a minor child or to an adult student and, if the parent, guardian, or adult student objects to the content, to make reasonable arrangements with school personnel for alternative instruction. Alternative instruction may be provided by the parent, guardian, or adult student if the alternative instruction, if any, offered by the school board does not meet the concerns of the parent, guardian, or adult student.

School personnel may not impose an academic or other penalty upon a student merely for arranging alternative instruction under clause (7). School personnel may evaluate and assess the quality of the student's work.

Sec. 2. Minnesota Statutes 1990, section 126.666, subdivision 4, is amended to read:

Subd. 4. [REPORT.] (a) By October 1 of each year, the school board shall adopt, using state board standard reporting procedures, a report that includes the following:

- (1) learner outcomes adopted for that year;
- (2) results of local assessment data, and any additional test data;
- (3) the annual school district improvement plans; ~~and~~
- (4) information about progress that has been made toward the improvement plans that were previously adopted by the board; *and*
- (5) *the procedure adopted under subdivision 1, clause (7).*

The school board shall publish the report in the local newspaper with the largest circulation in the district or by mail. The report shall be available for inspection by the public. A copy of the report shall be sent to the commissioner of education by October 15 of each year.

(b) The title of the report shall contain the name and number of the school district and read "Annual Report on Curriculum and Student Performance." The report must include at least the following information about curriculum advisory committee membership:

- (1) the name of each committee member and the date when that member's term expires;*
- (2) the method and criteria the school board uses to select committee members; and*
- (3) the date by which a community resident must apply to next serve on the committee.*

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for the 1992-1993 school year. Section 2 is effective June 1, 1992."

Delete the title and insert:

"A bill for an act relating to education; including in the PER policy a procedure for parents to review the content of instructional materials; entitling the PER report the "Annual Report on Curriculum and Student Performances"; including in the PER report information about curriculum advisory committee membership; amending Minnesota Statutes 1990, section 126.666, subdivisions 1 and 4."

And when so amended the bill do pass. Amendments adopted. Report

adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon.

S.F. No. 1731: A bill for an act relating to public employment: requiring public employers to include certain former employees in the same insurance pool as active employees; amending Minnesota Statutes 1990, sections 43A.27, subdivision 3; and 471.61, by adding a subdivision.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon.

S.F. No. 1790: A bill for an act relating to housing; modifying requirements for lead education, assessment, screening, and abatement; transferring rule authority from the commissioner of the pollution control agency to the commissioner of health; establishing a lead abatement account in the housing development fund; creating a lead abatement and training program; establishing a lead abatement program; creating a lead fund; establishing a lead abatement fee on petroleum storage tanks; establishing a paint tax; providing penalties; amending Minnesota Statutes 1990, sections 144.871, subdivisions 3, 6, 8, and by adding subdivisions: 144.872, subdivisions 1, 2, 3, 4, and by adding a subdivision; 144.873, subdivisions 2 and 3; 144.874, subdivision 4; 144.876; 144.878, subdivision 2, and by adding a subdivision; and 462A.21, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 144.871, subdivision 2; 144.873, subdivision 1; 144.874, subdivisions 1, 2, 3, and 12; 326.87, subdivision 1; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapters 115C; 144; and 268; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, 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 Rule 35, together with the committee report thereon.

S.F. No. 1910: A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, 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 Rule 35, together with the committee report thereon.

S.F. No. 2434: A bill for an act relating to retirement; providing continued coverage in the Minnesota state retirement system for certain employees; amending Minnesota Statutes 1990, sections 352.01, subdivision 2a; and 352.04, subdivision 6.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, be adopted; that committee recommendation being:

“the bill do pass”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon.

S.F. No. 2451: A bill for an act relating to Dakota county; providing financing for planning activities for the international airport or other transportation; authorizing a regional railroad authority to transfer light rail money.

Reports the same back with the recommendation that the report from the Committee on Metropolitan Affairs, shown in the Journal for March 20, 1992, 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 Rule 35, together with the committee report thereon.

S.F. No. 2692: A bill for an act relating to energy; providing that energy providers may solicit contributions from customers for fuel funds that distribute emergency energy assistance to low-income households; establishing a statewide fuel fund in the department of jobs and training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the report from the Committee on Governmental Operations, shown in the Journal for March 24, 1992, 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. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2324: A bill for an act relating to recreation; establishing a Cuyuna country state recreation area; establishing a new unit in the outdoor recreation system; appropriating money; amending Minnesota Statutes 1990, sections 86A.04; 86A.05, subdivisions 2 and 3; and 86A.08, subdivision 1; Minnesota Statutes 1991 Supplement, section 85.045, 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. [CUYUNA COUNTRY STATE RECREATION AREA.]

Subdivision 1. [85.013] [Subd. 8a.] [CUYUNA COUNTRY STATE RECREATION AREA.] *Cuyuna country state recreation area is established in Crow Wing county.*

Subd. 2. [ACQUISITION.] *The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Cuyuna country state recreation area. Purchased lands may be acquired by quitclaim deed or, when practicable, by limited warranty deed or warranty deed. The commissioner must manage the area for multiple recreational use, including hunting, and provide for limited timber harvesting.*

Subd. 3. [MINING.] *The commissioner shall recognize the possibility that mining may be conducted in the future within the Cuyuna country state recreation area, and that use of portions of the surface estate and control of the flowage of water may be necessary for future mining operations.*

Subd. 4. [MANAGEMENT PLAN.] *The commissioner and local area committee must cooperatively develop a comprehensive management plan that provides for multiple use recreation; protection of natural resources; hunting, fishing, and trapping; forest management; interpretation of cultural and historic resources; land acquisition needs; fee structure; and road and facility development. The completed management plan is the master plan for purposes of Minnesota Statutes, section 86A.09.*

Subd. 5. [BOUNDARIES.] *The following described lands are located within the boundaries of Cuyuna country state recreation area:*

That part of Crow Wing county, Minnesota, lying within:

Section 1, Township 46 North, Range 29 West.

EXCEPT that part of the Northwest Quarter lying west of the easterly right-of-way line of the Soo Line Railroad.

EXCEPT the South Half of the Southeast Quarter.

EXCEPT that part of the SE1/4 of the SW1/4 lying east of the easterly line of the Croft Mine Tract.

The Southeast Quarter of Section 2, Township 46 North, Range 29 West.

All of Sections 3 and 4, Township 46 North, Range 29 West.

EXCEPT Government Lot 2, Section 4, Township 46, Range 29.

That part of Section 5, Township 46 North, Range 29 West, lying southeasterly of the existing Township Road running through said Section 5.

Section 8, Township 46 North, Range 29 West.

EXCEPT the Southwest Quarter.

EXCEPT the South Half of the Northwest Quarter.

EXCEPT that part of the North Half of the Northwest Quarter, lying west of an existing Township Road thereof.

All of Section 9, Township 46 North, Range 29 West.

Section 10, Township 46 North, Range 29 West.

EXCEPT the East Half of the Southeast Quarter.

EXCEPT the SW1/4 of the SE1/4.

EXCEPT the SE1/4 of the SW1/4 thereof.

Section 11, Township 46 North, Range 29 West.

EXCEPT the South Half.

EXCEPT the South Half of the Northeast Quarter.

EXCEPT the SE1/4 of the NW1/4.

EXCEPT the North Half of the North Half of the Northwest Quarter.

EXCEPT that part of the NE1/4 of the NE1/4 lying southeasterly of the easterly right-of-way line of the Soo Line Railroad thereof.

That part of Section 16, Township 46 North, Range 29 West, lying northwest of Black Hoof Lake.

Section 19, Township 46 North, Range 29 West.

EXCEPT that part of the Southeast Quarter, lying southerly of the northerly right-of-way line of an existing Township Road.

That part of Section 34, Township 47 North, Range 29 West, bounded as follows:

On the North by the southerly right-of-way line of County State-Aid Highway No. 30.

On the West by the easterly right-of-way line of County State-Aid Highway No. 34.

On the East by the east line of said Section 34.

On the South by the south line of said Section 34.

That part of Section 33, Township 47 North, Range 29 West, lying southeasterly of the easterly right-of-way line of County State-Aid Highway No.

34.

Subject to easements of record for the following County Roads. An easement for C.S.A.H. No. 31 right-of-way purposes over, under and across the east line of said Section 1, also C.S.A.H. No. 30 easement for right-of-way purposes over, under and across the West Half of the Northwest Quarter and the Section line between said Sections 2 and 3, Township 46 North, Range 29 West and the Section line between Sections 34 and 35, Township 47 North, Range 29 West, also for County Road No. 128 right-of-way purposes over, under and across the Section line between said Sections 16 and 17 and between Sections 8 and 17, also C.S.A.H. No. 34 right-of-way purposes over, under and across the Section line between said Sections 4 of Township 46 North, Range 29 West and Section 33 of Township 47 North, Range 29 West; subject to an easement of record for State Highway No. 6 right-of-way purposes over, under and across the East Half of the Southwest Quarter of said Section 1 and the Section line between said sections 1 and 2; subject to any other easements, reservations and restrictions of record; subject to an easement for City of Ironton Street right-of-way purposes over, under and across the SW1/4 of the NW1/4 in Section 11, Township 46 North, Range 29 West, according to the recorded plat thereof.

Subd. 6. [FEE AND RULE EXEMPTION.] (a) No fee may be charged by the commissioner for use of the Cuyuna country state recreation area before May 1, 1994.

(b) The Cuyuna country state recreation area is exempt from rules of the commissioner adopted for state parks.

Sec. 2. Minnesota Statutes 1991 Supplement, section 85.045, subdivision 2, is amended to read:

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, *recreation areas*, monuments, historic sites, and trails.

Sec. 3. Minnesota Statutes 1990, section 86A.04, is amended to read:

86A.04 [COMPOSITION OF SYSTEM.]

The outdoor recreation system shall consist of all ~~natural~~ state parks; ~~recreational~~ state parks *recreation areas*; state trails established pursuant to sections 84.029, subdivision 2, and 85.015; state scientific and natural areas; state wilderness areas; state forests; state wildlife management areas; state water access sites, which include all lands and facilities established by the commissioner of natural resources or the commissioner of transportation to provide public access to water; state wild, scenic, and recreational rivers; state historic sites; and state rest areas, which include all facilities established by the commissioner of transportation for the safety, rest, comfort and use of the highway traveler, and shall include all existing facilities designated as rest areas and waysides by the commissioner of transportation. Each individual ~~natural~~ state park, ~~recreational~~ state park *recreation area*, and so forth is called a "unit."

Sec. 4. Minnesota Statutes 1990, section 86A.05, subdivision 2, is amended to read:

Subd. 2. [NATURAL STATE PARK; PURPOSE; RESOURCE AND SITE QUALIFICATIONS; ADMINISTRATION.] (a) A ~~natural~~ state park shall be established to protect and perpetuate extensive areas of the state

possessing those resources which illustrate and exemplify Minnesota's natural phenomena and to provide for the use, enjoyment, and understanding of such resources without impairment for the enjoyment and recreation of future generations.

(b) No unit shall be authorized as a ~~natural~~ state park unless its proposed location substantially satisfies the following criteria:

(1) Exemplifies the natural characteristics of the major landscape regions of the state, as shown by accepted classifications, in an essentially unspoiled or restored condition or in a condition that will permit restoration in the foreseeable future; or contains essentially unspoiled natural resources of sufficient extent and importance to meaningfully contribute to the broad illustration of the state's natural phenomena; and

(2) Contains natural resources, sufficiently diverse and interesting to attract people from throughout the state; and

(3) Is sufficiently large to permit protection of the plant and animal life and other natural resources which give the park its qualities and provide for a broad range of opportunities for human enjoyment of these qualities.

(c) ~~Natural~~ State parks shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision to preserve, perpetuate, and interpret natural features that existed in the area of the park prior to settlement and other significant natural, scenic, scientific, or historic features that are present. Management shall seek to maintain a balance among the plant and animal life of the park and to reestablish desirable plants and animals that were formerly indigenous to the park area but are now missing. Programs to interpret the natural features of the park shall be provided. Outdoor recreation activities to utilize the natural features of the park that can be accommodated without material disturbance of the natural features of the park or the introduction of undue artificiality into the natural scene may be permitted. Park use shall be primarily for aesthetic, cultural, and educational purposes, and shall not be designed to accommodate all forms or unlimited volumes of recreational use. Physical development shall be limited to those facilities necessary to complement the natural features and the values being preserved.

(d) State parks in existence as of July 1, 1992, shall remain as state parks.

Sec. 5. Minnesota Statutes 1990, section 86A.05, subdivision 3, is amended to read:

Subd. 3. ~~RECREATIONAL STATE PARK RECREATION AREA; PURPOSE; RESOURCE AND SITE QUALIFICATIONS; ADMINISTRATION.~~ (a) A ~~recreational~~ state ~~park~~ recreation area shall be established to provide a broad selection of outdoor recreation opportunities in a natural setting which may be used by large numbers of people.

(b) No unit shall be authorized as a ~~recreational~~ state ~~park~~ recreation area unless its proposed location substantially satisfies the following criteria:

(1) Contains natural or artificial resources which provide outstanding outdoor recreational opportunities that will attract visitors from beyond the local area;

(2) Contains resources which permit intensive recreational use by large numbers of people; and

(3) May be located in areas which have serious deficiencies in public outdoor recreation facilities, provided that ~~recreational state parks~~ *recreation areas* should not be provided in lieu of municipal, county, or regional facilities.

(c) ~~Recreational State parks~~ *recreation areas* shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision primarily to provide as broad a selection of opportunities for outdoor recreation as is consistent with maintaining a pleasing natural environment. Scenic, historic, scientific, scarce, or disappearing resources within ~~recreational state parks~~ *recreation areas* shall be recommended for authorization as historic sites or designated scientific and natural areas pursuant to section 86A.08 to preserve and protect them. Physical development shall enhance and promote the use and enjoyment of the natural recreational resources of the area.

Sec. 6. Minnesota Statutes 1990, section 86A.08, subdivision 1, is amended to read:

Subdivision 1. [SECONDARY AUTHORIZATION; WHEN PERMITTED.] A unit of the outdoor recreation system may be authorized wholly or partially within the boundaries of another unit only when the authorization is consistent with the purposes and objectives of the respective units and only in the instances permitted below:

(a) The following units may be authorized wholly or partially within a ~~natural~~ state park: historic site, scientific and natural area, wilderness area, wild, scenic, and recreational river, trail, rest area, and water access site.

(b) The following units may be authorized wholly or partially within a ~~recreational~~ state park *recreation area*: historic site, scientific and natural area, wild, scenic, and recreational river, trail, rest area, and water access site.

(c) The following units may be authorized wholly or partially within a state forest: ~~natural~~ state park, ~~recreational~~ state park *recreation area*, historic site, wildlife management area, scientific and natural area, wilderness area, wild, scenic, and recreational river, trail, rest area, and water access site.

(d) The following units may be authorized wholly or partially within a state historic site: wild, scenic, and recreational river, trail, rest area, and water access site.

(e) The following units may be authorized wholly or partially within a state wildlife management area: state water access site.

(f) The following units may be authorized wholly or partially within a state wild, scenic, or recreational river: ~~natural~~ state park, historic site, scientific and natural area, wilderness area, trail, rest area, and water access site.

(g) The following units may be authorized wholly or partially within a state rest area: historic site, trail, wild, scenic, and recreational river, and water access site.

Sec. 7. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the commissioner of natural resources for the development and completion of the management plan required under section 1, subdivision 4.

Sec. 8. [EFFECTIVE DATE.]

This act is effective July 1, 1993."

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 re-referred

S.F. No. 651: A bill for an act relating to insurance; requiring the registration of utilization review organizations; defining terms; requiring certificate to be issued by commissioner of commerce; establishing criteria for issuance of certificate; describing application process and fees; stating grounds for expiration, denial, and revocation of certificate; providing for waiver for some contracts with federal government; establishing reporting requirements; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 72A.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [62M.01] [CITATION, JURISDICTION, AND SCOPE.]

Subdivision 1. [POPULAR NAME.] Sections 1 to 16 may be cited as the "Minnesota utilization review act of 1992."

Subd. 2. [JURISDICTION.] Sections 1 to 16 apply to any 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; 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; a third party administrator licensed under section 60A.23, subdivision 8, that provides utilization review services for the administration of benefits under a health benefit plan as defined in section 2; or any entity performing utilization review on behalf of a business entity in this state pursuant to a health benefit plan covering a Minnesota resident.

Subd. 3. [SCOPE.] Sections 2, 7, and 9, subdivision 4, apply to prior authorization of services. Nothing in sections 1 to 16 applies to review of claims after submission to determine eligibility for benefits under a health benefit plan.

Sec. 2. [62M.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 16, the terms defined in this section have the meanings given them.

Subd. 2. [APPEAL.] "Appeal" means a formal request, either orally or in writing, to reconsider a determination not to certify an admission, extension of stay, or other health care service.

Subd. 3. [ATTENDING DENTIST.] "Attending dentist" means the dentist with primary responsibility for the dental care provided to a patient.

Subd. 4. [ATTENDING PHYSICIAN.] "Attending physician" means the

physician with primary responsibility for the care provided to a patient in a hospital or other health care facility.

Subd. 5. [CERTIFICATION.] "Certification" means a determination by a utilization review organization that an admission, extension of stay, or other health care service has been reviewed and that it, based on the information provided, meets the utilization review requirements of the applicable health plan.

Subd. 6. [CLAIMS ADMINISTRATOR.] "Claims administrator" means an entity that reviews and determines whether to pay claims to enrollees, physicians, hospitals, or others based on the contract provisions of the health plan contract. Claims administrators may include insurance companies 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 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.

Subd. 7. [CLAIMANT.] "Claimant" means the enrollee or covered person who files a claim for benefits or a provider of services who, pursuant to a contract with a claims administrator, files a claim on behalf of an enrollee or covered person.

Subd. 8. [CLINICAL CRITERIA.] "Clinical criteria" means the written policies, decision rules, medical protocols, or guidelines used by the utilization review organization to determine certification.

Subd. 9. [CONCURRENT REVIEW.] "Concurrent review" means utilization review conducted during a patient's hospital stay or course of treatment and has the same meaning as continued stay review.

Subd. 10. [DISCHARGE PLANNING.] "Discharge planning" means the process that assesses a patient's need for treatment after hospitalization in order to help arrange for the necessary services and resources to effect an appropriate and timely discharge.

Subd. 11. [ENROLLEE.] "Enrollee" means an individual who has elected to contract for, or participate in, a health benefit plan for enrollee coverage or for dependent coverage.

Subd. 12. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate issued by a health carrier to an employer or individual for the coverage of medical, dental, or hospital benefits. A 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 on a per diem, fixed indemnity, or nonexpense incurred basis;*
- (5) credit accident and health insurance issued under chapter 62B;*
- (6) blanket accident and sickness insurance as defined in section 62A.11;*
- (7) accident only coverage issued by a licensed and tested insurance*

agent; or

(8) workers' compensation.

Subd. 13. [INPATIENT ADMISSIONS TO HOSPITALS.] "Inpatient admissions to hospitals" includes admissions to all acute medical, surgical, obstetrical, psychiatric, and chemical dependency inpatient services at a licensed hospital facility, as well as other licensed inpatient facilities including skilled nursing facilities, residential treatment centers, and free standing rehabilitation facilities.

Subd. 14. [OUTPATIENT SERVICES.] "Outpatient services" means procedures or services performed on a basis other than as an inpatient, and includes obstetrical, psychiatric, chemical dependency, dental, and chiropractic services.

Subd. 15. [PRIOR AUTHORIZATION.] "Prior authorization" means utilization review conducted prior to the delivery of a service, including an outpatient service.

Subd. 16. [PROSPECTIVE REVIEW.] "Prospective review" means utilization review conducted prior to an enrollee's inpatient stay.

Subd. 17. [PROVIDER.] "Provider" means a licensed health care facility, physician, or other health care professional that delivers health care services to an enrollee or covered person.

Subd. 18. [QUALITY ASSESSMENT PROGRAM.] "Quality assessment program" means a structured mechanism that monitors and evaluates a utilization review organization's program and provides management intervention to support compliance with the requirements of this chapter.

Subd. 19. [RECONSIDERATION REQUEST.] "Reconsideration request" means an initial request by telephone for additional review of a utilization review organization's determination not to certify an admission, extension of stay, or other health care service.

Subd. 20. [UTILIZATION REVIEW.] "Utilization review" means the evaluation of the necessity, appropriateness, and efficacy of the use of health care services, procedures, and facilities, by a person or entity other than the attending physician, for the purpose of determining the medical necessity of the service or admission. Utilization review also includes review conducted after the admission of the enrollee. It includes situations where the enrollee is unconscious or otherwise unable to provide advance notification. Utilization review does not include the imposition of a requirement that services be received by or upon referral from a participating provider.

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to 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; 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; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing

utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state.

Sec. 3. [62M.03] [COMPLIANCE WITH STANDARDS.]

Subdivision 1. [LICENSED UTILIZATION REVIEW ORGANIZATION.] Beginning January 1, 1993, any organization that is licensed in this state and that meets the definition of utilization review organization in section 2, subdivision 21, must comply with sections 1 to 16.

Subd. 2. [NONLICENSED UTILIZATION REVIEW ORGANIZATION.] An organization that meets the definition of a utilization review organization under section 2, subdivision 21, that is not licensed in this state that performs utilization review services for Minnesota residents must register with the commissioner of commerce and must certify compliance with sections 1 to 16.

Initial registration must occur no later than January 1, 1993.

Subd. 3. [PENALTIES AND ENFORCEMENTS.] If a nonlicensed utilization review organization fails to comply with sections 1 to 16, the organization may not provide utilization review services for any Minnesota resident. The commissioner of commerce may issue a cease and desist order under section 45.027, subdivision 5, to enforce this provision. The cease and desist order is subject to appeal under chapter 14. A nonlicensed utilization review organization that fails to comply with the provisions of sections 1 to 16 is subject to all applicable penalty and enforcement provisions of section 72A.201.

Sec. 4. [62M.04] [STANDARDS FOR UTILIZATION REVIEW PERFORMANCE.]

Subdivision 1. [RESPONSIBILITY FOR OBTAINING CERTIFICATION.] A health benefit plan that includes utilization review requirements must specify the process for notifying the utilization review organization in a timely manner and obtaining certification for health care services. In addition to the enrollee, the utilization review organization must allow any licensed hospital, physician or the physician's designee, or responsible patient representative, including a family member, to fulfill the obligations under the health plan.

A claims administrator that contracts directly with providers for the provision of health care services to enrollees may, through contract, require the provider to notify the review organization in a timely manner and obtain certification for health care services.

Subd. 2. [INFORMATION UPON WHICH UTILIZATION REVIEW IS CONDUCTED.] If the utilization review organization is conducting routine prospective and concurrent utilization review, utilization review organizations must collect only the information necessary to certify the admission, procedure of treatment, and length of stay.

(a) Utilization review organizations may request, but may not require, hospitals, physicians, or other providers to supply numerically encoded diagnoses or procedures as part of the certification process.

(b) Utilization review organizations must not routinely request copies of medical records for all patients reviewed. In performing prospective and concurrent review, copies of the pertinent portion of the medical record should be required only when a difficulty develops in certifying the medical

necessity or appropriateness of the admission or extension of stay.

(c) Utilization review organizations may request copies of medical records retrospectively for a number of purposes, including auditing the services provided, quality assurance review, ensuring compliance with the terms of either the health benefit plan or the provider contract, and compliance with utilization review activities. Except for reviewing medical records associated with an appeal or with an investigation or audit of data discrepancies, health care providers must be reimbursed for the reasonable costs of duplicating records requested by the utilization review organization for retrospective review unless otherwise provided under the terms of the provider contract.

Subd. 3. [DATA ELEMENTS.] Except as otherwise provided in sections 1 to 16, for purposes of certification a utilization review organization must limit its data requirements to the following elements:

(a) Patient information that includes the following:

(1) name;

(2) address;

(3) date of birth;

(4) sex;

(5) social security number or patient identification number;

(6) name of health carrier or health plan; and

(7) plan identification number.

(b) Enrollee information that includes the following:

(1) name;

(2) address;

(3) social security number or employee identification number;

(4) relation to patient;

(5) employer;

(6) health benefit plan;

(7) group number or plan identification number; and

(8) availability of other coverage.

(c) Attending physician or provider information that includes the following:

(1) name;

(2) address;

(3) telephone numbers;

(4) degree and license;

(5) specialty or board certification status; and

(6) tax identification number or other identification number.

(d) Diagnosis and treatment information that includes the following:

(1) primary diagnosis with associated ICD or DSM coding, if available;

- (2) *secondary diagnosis with associated ICD or DSM coding, if available;*
- (3) *tertiary diagnoses with associated ICD or DSM coding, if available;*
- (4) *proposed procedures or treatments with ICD or associated CPT codes, if available;*
- (5) *surgical assistant requirement;*
- (6) *anesthesia requirement;*
- (7) *proposed admission or service dates;*
- (8) *proposed procedure date; and*
- (9) *proposed length of stay.*
- (e) *Clinical information that includes the following:*
 - (1) *support and documentation of appropriateness and level of service proposed; and*
 - (2) *identification of contact person for detailed clinical information.*
- (f) *Facility information that includes the following:*
 - (1) *type;*
 - (2) *licensure and certification status and DRG exempt status;*
 - (3) *name;*
 - (4) *address;*
 - (5) *telephone number; and*
 - (6) *tax identification number or other identification number.*
- (g) *Concurrent or continued stay review information that includes the following:*
 - (1) *additional days, services, or procedures proposed;*
 - (2) *reasons for extension, including clinical information sufficient for support of appropriateness and level of service proposed; and*
 - (3) *diagnosis status.*
- (h) *For admissions to facilities other than acute medical or surgical hospitals, additional information that includes the following:*
 - (1) *history of present illness;*
 - (2) *patient treatment plan and goals;*
 - (3) *prognosis;*
 - (4) *staff qualifications; and*
 - (5) *24-hour availability of staff.*

Additional information may be required for other specific review functions such as discharge planning or catastrophic case management. Second opinion information may also be required, when applicable, to support benefit plan requirements.

Subd. 4. [ADDITIONAL INFORMATION.] A utilization review organization may request information in addition to that described in subdivision 3 when there is significant lack of agreement between the utilization review

organization and the health care provider regarding the appropriateness of certification during the review or appeal process. For purposes of this subdivision, "significant lack of agreement" means that the utilization review organization has:

- (1) tentatively determined through its professional staff that a service cannot be certified;
- (2) referred the case to a physician for review; and
- (3) talked to or attempted to talk to the attending physician for further information.

Nothing in sections 1 to 16 prohibits a utilization review organization from requiring submission of data necessary to comply with the quality assurance and utilization review requirements of chapter 62D or other appropriate data or outcome analyses.

Subd. 5. [SHARING OF INFORMATION.] To the extent allowed under sections 72A.49 to 72A.505, a utilization review organization shall share all available clinical and demographic information on individual patients internally to avoid duplicate requests for information from enrollees or providers.

Sec. 5. [62M.05] [PROCEDURES FOR REVIEW DETERMINATION.]

Subdivision 1. [WRITTEN PROCEDURES.] A utilization review organization must have written procedures to ensure that reviews are conducted in accordance with the requirements of this chapter and section 72A.20, subdivision 4a.

Subd. 2. [CONCURRENT REVIEW.] A utilization review organization may review ongoing inpatient stays based on the severity or complexity of the patient's condition or on necessary treatment or discharge planning activities. Such review must not be consistently conducted on a daily basis.

Subd. 3. [NOTIFICATION OF DETERMINATIONS.] A utilization review organization must have written procedures for providing notification of its determinations on all certifications in accordance with the following:

(a) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider.

(b) When a determination is made not to certify a hospital or surgical facility admission or extension of a hospital stay, or other service requiring review determination, within one working day after making the decision the attending physician and hospital must be notified by telephone and a written notification must be sent to the hospital, attending physician, and enrollee or patient. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the attending physician.

Subd. 4. [FAILURE TO PROVIDE NECESSARY INFORMATION.] A utilization review organization must have written procedures to address the failure of a health care provider, patient, or representative of either to provide the necessary information for review. If the patient or provider will not release the necessary information to the utilization review organization, the utilization review organization may deny certification in accordance with its own policy or the policy described in the health benefit plan.

Sec. 6. [62M.06] [APPEALS OF DETERMINATIONS NOT TO CERTIFY.]

Subdivision 1. [PROCEDURES FOR APPEAL.] A utilization review organization must have written procedures for appeals of determinations not to certify an admission, procedure, service, or extension of stay. The right to appeal must be available to the enrollee or designee and to the attending physician. The right of appeal must be communicated to the enrollee or designee or to the attending physician, whomever initiated the original certification request, at the time that the original determination is communicated.

Subd. 2. [EXPEDITED APPEAL.] When an initial determination not to certify a health care service is made prior to or during an ongoing service requiring review, and the attending physician believes that the determination warrants immediate appeal, the utilization review organization must ensure that the attending physician, enrollee, or designee has an opportunity to appeal the determination over the telephone on an expedited basis. In such an appeal, the utilization review organization must ensure reasonable access to its consulting physician. Expedited appeals that are not resolved may be resubmitted through the standard appeal process.

Subd. 3. [STANDARD APPEAL.] The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) Each utilization review organization shall notify in writing the enrollee or patient, attending physician, and claims administrator of its determination on the appeal as soon as practical, but in no case later than 45 days after receiving the required documentation on the appeal.

(b) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the health care provider.

(c) Prior to upholding the original decision not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the original determination not to certify.

(d) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the patient, enrollee, or attending physician when the initial determination is made.

(e) An attending physician who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

- (1) a complete summary of the review findings;*
- (2) qualifications of the reviewers, including any license, certification, or specialty designation; and*
- (3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.*

(f) In cases where an appeal to reverse a determination not to certify for clinical reasons is unsuccessful, the utilization review organization must ensure that a physician in the same or a similar general specialty as typically

manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

Subd. 4. [NOTIFICATION TO CLAIMS ADMINISTRATOR.] If the utilization review organization and the claims administrator are separate entities, the utilization review organization must forward, electronically or in writing, a notification of certification or determination not to certify to the appropriate claims administrator for the health benefit plan.

Sec. 7. [62M.07] [PRIOR AUTHORIZATION OF SERVICES.]

Utilization review organizations conducting prior authorization of services must have written standards that meet at a minimum the following requirements:

(1) written procedures and criteria used to determine whether care is appropriate, reasonable, or medically necessary;

(2) a system for providing prompt notification of its determinations to enrollees and providers and for notifying the provider, enrollee, or enrollee's designee of appeal procedures under clause (4);

(3) compliance with section 72A.20, subdivision 4a, regarding time frames for approving and disapproving prior authorization requests;

(4) written procedures for appeals of denials of prior authorization which specify the responsibilities of the enrollee and provider, and which meet the requirements of section 72A.285, regarding release of summary review findings; and

(5) procedures to ensure confidentiality of patient-specific information, consistent with applicable law.

Sec. 8. [62M.08] [CONFIDENTIALITY.]

Subdivision 1. [WRITTEN PROCEDURES TO ENSURE CONFIDENTIALITY.] A utilization review organization must have written procedures for ensuring that patient-specific information obtained during the process of utilization review will be:

(1) kept confidential in accordance with applicable federal and state laws;

(2) used solely for the purposes of utilization review, quality assurance, discharge planning, and case management; and

(3) shared only with those organizations or persons that have the authority to receive such information.

Subd. 2. [SUMMARY DATA.] Summary data is not subject to this section if it does not provide sufficient information to allow identification of individual patients.

Sec. 9. [62M.09] [STAFF AND PROGRAM QUALIFICATIONS.]

Subdivision 1. [STAFF CRITERIA.] A utilization review organization shall have utilization review staff who are properly trained, qualified, and supervised.

Subd. 2. [LICENSURE REQUIREMENT.] Nurses, physicians, and other licensed health professionals conducting reviews of medical services, and other clinical reviewers conducting specialized reviews in their area of specialty must be currently licensed or certified by an approved state licensing agency in the United States.

Subd. 3. [PHYSICIAN REVIEWER INVOLVEMENT.] A physician must review all cases in which the utilization review organization has concluded that a determination not to certify for clinical reasons is appropriate. The physician should be reasonably available by telephone to discuss the determination with the attending physician.

Subd. 4. [DENTIST PLAN REVIEWS.] A dentist must review all cases in which the utilization review organization has concluded that a determination not to certify a dental service or procedure for clinical reasons is appropriate and an appeal has been made by the attending dentist, enrollee, or designee.

Subd. 5. [WRITTEN CLINICAL CRITERIA.] A utilization review organization's decisions must be supported by written clinical criteria and review procedures. Clinical criteria and review procedures must be established with appropriate involvement from physicians. A utilization review organization must use written clinical criteria, as required, for determining the appropriateness of the certification request. The utilization review organization must have a procedure for ensuring the periodic evaluation and updating of the written criteria.

Subd. 6. [PHYSICIAN CONSULTANTS.] A utilization review organization must use physician consultants in the appeal process described in section 6, subdivision 3. The physician consultants should include, as needed and available, specialists who are board-certified, or board-eligible and working towards certification, in a specialty board approved by the American Board of Medical Specialists or the American Board of Osteopathy.

Subd. 7. [TRAINING FOR PROGRAM STAFF.] A utilization review organization must have a formalized program of orientation and ongoing training of utilization review staff.

Subd. 8. [QUALITY ASSESSMENT PROGRAM.] A utilization review organization must have written documentation of an active quality assessment program.

Sec. 10. [62M.10] [ACCESSIBILITY AND ON-SITE REVIEW PROCEDURES.]

Subdivision 1. [TOLL-FREE NUMBER.] A utilization review organization must provide access to its review staff by a toll-free or collect call telephone line during normal business hours. A utilization review organization must also have an established procedure to receive timely callbacks from providers and must establish written procedures for receiving after-hour calls, either in person or by recording.

Subd. 2. [REVIEWS DURING NORMAL BUSINESS HOURS.] A utilization review organization must conduct its telephone reviews, on-site reviews, and hospital communications during hospitals' and physicians' reasonable and normal business hours, unless otherwise mutually agreed.

Subd. 3. [IDENTIFICATION OF ON-SITE REVIEW STAFF.] Each utilization review organization's staff must identify themselves by name and by the name of their organization and, for on-site reviews, must carry picture identification and the utilization review organization's company identification card. On-site reviews should, whenever possible, be scheduled at least one business day in advance with the appropriate hospital contact. If requested by a hospital or inpatient facility, utilization review organizations must ensure that their on-site review staff register with the appropriate

contact person, if available, prior to requesting any clinical information or assistance from hospital staff. The on-site review staff must wear appropriate hospital supplied identification tags while on the premises.

Subd. 4. [ON-SITE REVIEWS.] Utilization review organizations must agree, if requested, that the medical records remain available in designated areas during the on-site review and that reasonable hospital administrative procedures must be followed by on-site review staff so as to not disrupt hospital operations or patient care. Such procedures, however, must not limit the ability of the utilization review organizations to efficiently conduct the necessary review on behalf of the patient's health benefit plan.

Subd. 5. [ORAL REQUESTS FOR INFORMATION.] Utilization review organizations shall orally inform, upon request, designated hospital personnel or the attending physician of the utilization review requirements of the specific health benefit plan and the general type of criteria used by the review agent. Utilization review organizations should also orally inform, upon request, hospitals, physicians, and other health care professionals of the operational procedures in order to facilitate the review process.

Subd. 6. [MUTUAL AGREEMENT.] Nothing in this section limits the ability of a utilization review organization and a provider to mutually agree in writing on how review should be conducted.

Sec. 11. [62M.11] [COMPLAINTS TO COMMERCE OR HEALTH.]

Notwithstanding the provisions of sections 1 to 16, an enrollee may file a complaint regarding a determination not to certify directly to the commissioner responsible for regulating the utilization review organization.

Sec. 12. [62M.12] [PROHIBITION OF INAPPROPRIATE INCENTIVES.]

No individual who is performing utilization review may receive any financial incentive based on the number of denials of certifications made by such individual, provided that utilization review organizations may establish medically appropriate performance standards. This prohibition does not apply to financial incentives established between health plans and their providers.

Sec. 13. [62M.13] [SEVERABILITY.]

If any provisions of sections 1 to 16 are held invalid, illegal, or unenforceable for any reason and in any respect, the holding does not affect the validity of the remainder of sections 1 to 16.

Sec. 14. [62M.14] [EFFECT OF COMPLIANCE.]

Evidence of a utilization review organization's compliance or noncompliance with the provisions of sections 1 to 16 shall not be determinative in an action alleging that services denied were medically necessary and covered under the terms of the enrollee's health benefit plan.

Sec. 15. [62M.15] [APPLICABILITY OF OTHER CHAPTER REQUIREMENTS.]

The requirements of this chapter regarding the conduct of utilization review are in addition to any specific requirements contained in chapter 62A, 62C, 62D, or 72A.

Sec. 16. [62M.16] [RULEMAKING.]

If it is determined that rules are reasonable and necessary to accomplish the purpose of sections 1 to 16, the rules must be adopted through a joint rulemaking process by both the department of commerce and the department of health.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective January 1, 1993."

Delete the title and insert:

"A bill for an act relating to insurance; regulating utilization review services; providing standards and procedures; regulating appeals of determinations not to certify; regulating prior authorization of services; prescribing staff and program qualifications; proposing coding for new law as Minnesota Statutes, chapter 62M."

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. 2496: A bill for an act relating to housing; modifying provisions of rehabilitation loans, lease-purchase housing, and urban and rural homesteading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; increasing the debt ceiling of the Minnesota housing finance agency; amending Minnesota Statutes 1990, sections 462A.03, subdivision 7; 462A.05, subdivision 14a; 462A.06, subdivision 11; 462A.202, subdivision 2; and 462A.22, subdivision 1; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivision 36; 462A.073, subdivision 2; and 462A.30, subdivisions 6 and 9; repealing Minnesota Statutes 1990, section 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 9, section 35.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2166: A bill for an act relating to public employment; providing an early retirement incentive for certain public employees; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 275.50, subdivision 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "5" and insert "3"

Pages 4 to 11, delete sections 3 and 4

Page 11, line 14, delete "to 4" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete the semicolon and insert a period

Page 1, delete lines 4 to 6

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. 2144: A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 27, insert:

“Sec. 2. [FIVE-YEAR CAPITAL EXPENDITURE PROGRAM; REPORT.]

The legislature intends to support the five-year capital expenditure program developed by the metropolitan council, the regional transit board, and the metropolitan transit commission. This program is projected to require \$116,500,000 in certificates of indebtedness, bonds, or other obligations issued by the council.

By February 1, 1994, the metropolitan transit commission shall submit a report to the legislature analyzing whether ridership in areas served by the commission has increased as a result of implementing customer-oriented policies.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “stating the intent of the legislature; requiring a report;”

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. 1993: A bill for an act relating to transportation; providing tax incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; 216C.15, subdivision 1; and 290.01, subdivision 19b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 169; 290; and 473.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 2 to 7, delete sections 3 to 6

Page 7, line 24, delete "7" and insert "3"

Page 7, line 25, delete "10" and insert "6"

Page 7, line 35, delete "9" and insert "5"

Page 8, line 2, delete "8" and insert "4"

Page 8, line 13, delete "COMMUTER TRIP" and insert "CONGESTION"

Page 8, line 17, after "with" insert "*employees and labor representatives in the metropolitan area.*"

Page 9, line 1, before "The" insert "*After reasonable notice and a public hearing on the proposed zones and vehicle occupancy rate goals.*"

Page 9, line 12, delete "8" and insert "4"

Page 9, line 29, delete "COMMUTER TRIP" and insert "CONGESTION"

Page 10, delete lines 15 to 21

Page 10, lines 30, 32, 35, and 36, delete "8" and insert "4"

Page 11, line 3, delete "7 to 11" and insert "3 to 7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "providing tax incentives"

Page 1, delete line 3

Page 1, line 12, after the first "1;" insert "and" and delete "and 290.01, subdivision"

Page 1, line 13, delete "19b, and by adding a subdivision:"

Page 1, line 14, delete "sections" and insert "section" and delete "and"

Page 1, line 15, delete "290.01, subdivision 19d"

Page 1, line 16, delete "290;"

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. 2702: A bill for an act relating to local governments; reimbursing costs incurred by peace officers in defending civilian complaints; amending Minnesota Statutes 1990, section 471.44.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, lines 3 and 4, delete "*or other independent agency or commission*"

Page 2, line 7, delete everything after the first "*the*" and insert "*complaint is not upheld.*"

Page 2, delete lines 8 and 9

Page 2, line 11, delete everything after the period and insert "*This subdivision is effective if the home rule charter or statutory city, town, or*

county approves application of the subdivision.”

Page 2, delete line 12

Page 2, line 14, before the period, insert “and applies in a home rule charter or statutory city, town, or county that approves its application in accordance with the procedures of Minnesota Statutes, section 645.021”

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert “permitting local governments to require the payment of legal fees incurred by peace officers who are the subject of investigation by a civilian review authority”

Page 1, delete line 3

Page 1, line 4, delete “complaints”

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. 2468: A bill for an act relating to human rights; defining certain terms; clarifying certain discriminatory practices; amending Minnesota Statutes 1990, sections 363.01, subdivision 35, and by adding subdivisions; 363.02, subdivision 1; 363.03, subdivisions 1, 2, 3, 4, and 10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, after line 16, insert:

“Subd. 41a. [SPECIFIED PUBLIC TRANSPORTATION.] “Specified public transportation” means transportation by bus, rail, or any other conveyance other than aircraft that provides the general public with general or special service, including charter service, on a regular and continuing basis.

Sec. 9. Minnesota Statutes 1990, section 363.01, is amended by adding a subdivision to read:”

Page 3, line 17, delete “41a” and insert “41b”

Page 3, after line 26, insert:

“Sec. 10. Minnesota Statutes 1990, section 363.01, is amended by adding a subdivision to read:

Subd. 44. [VEHICLE.] “Vehicle” does not include a rail passenger car, railroad locomotive, railroad freight car, railroad caboose, or railroad car.”

Page 17, line 36, delete “accommodations, including” and insert “modifications, provide”

Page 18, delete lines 1 to 4 and insert “auxiliary aids and services, and remove barriers, consistent with section 363.03, subdivision 3, paragraph (c):

(3) the purchase or lease of a new vehicle, other than an automobile or van with a seating capacity of fewer than eight passengers, including the driver, or an over-the-road bus, that is to be used to provide”

Page 18, line 14, delete “(3)” and insert “(4)”

Page 18, line 28, delete "(4)" and insert "(5)"

Page 18, line 36, delete "less" and insert "fewer"

Page 19, line 8, delete "(5)" and insert "(6)"

Renumber the sections in sequence

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1959: A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, section 84.9691; proposing coding for new law in Minnesota Statutes, chapters 84; and 97A.

Reports the 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 18.317, subdivision 1, is amended to read:

Subdivision 1. [TRANSPORTATION PROHIBITED.] (a) Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescens*, *zebra mussels*, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources, on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

(b) For the purposes of this section, "ecologically harmful exotic species" has the meaning given in section 84.967.

Sec. 2. Minnesota Statutes 1990, section 18.317, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] (a) A person may transport Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescens*, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources, for disposal as part of a harvest or control activity.

(b) The prohibition in subdivision 1, paragraph (a), does not apply to transportation of Northern water milfoil on a weed harvester that is used only on bodies of water that are not infested with Eurasian water milfoil, *zebra mussels*, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources.

Sec. 3. Minnesota Statutes 1990, section 18.317, subdivision 3, is amended to read:

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL PROHIBITED.] (a) A person may not place a trailer or launch a watercraft with Eurasian or Northern water milfoil, *zebra mussels*, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources attached into waters

of the state. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, zebra mussels, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources, from a trailer or watercraft before ~~being~~ the trailer or watercraft is placed or launched into waters of the state.

(b) The prohibition in paragraph (a) does not apply to a weed harvester with Northern water milfoil attached if the harvester is used only on bodies of water that are not infested with Eurasian water milfoil, zebra mussels, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources.

~~(b)~~ (c) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

Sec. 4. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] (a) Licensed watercraft and associated equipment, including weed harvesters, that are removed from waters of the state that are identified as being contaminated with Eurasian water milfoil, or other water-transmitted ecologically harmful exotic species identified by the commissioner of natural resources, must be inspected as described in paragraph (b).

(b) From May 1 to October 15, on the infested bodies of water that the commissioner determines have the greatest potential for transmitting ecologically harmful exotic species:

(1) the owner or operator of a commercial access point is responsible for ensuring that watercraft and associated equipment leaving the commercial access point are inspected by personnel trained in inspection for ecologically harmful exotic species; and

(2) watercraft and associated equipment leaving public access points must be randomly inspected by personnel authorized by the commissioner of natural resources.

(c) A conservation officer or other licensed peace officer may order an inspection under paragraph (b), clause (1).

Sec. 5. Minnesota Statutes 1990, section 18.317, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] A person who violates subdivision 1 or 3, or 3a is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove Eurasian or Northern water milfoil, or other aquatic ecologically harmful exotic species designated by the commissioner, from a trailer or watercraft is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1991 Supplement, section 84.968, is amended to read:

84.968 [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

(a) By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

(b) The plan prepared under paragraph (a) must include containment strategies that include:

(1) participation by lake associations, local citizen groups, and local units of government in the development and implementation of lake management plans;

(2) a reasonable and workable inspection requirement for boats and equipment participating in organized events on waters of the state;

(3) allowing access points infested with ecologically harmful exotic species to be closed, for not more than a total of seven days during an open water season, for control or eradication purposes, and requiring posting of signs stating the reason for closing the access;

(4) provisions for reasonable weed-free maintenance of public accesses to infested waters; and

(5) notice to travelers of the penalties for violation of laws relating to ecologically harmful exotic species.

Sec. 7. Minnesota Statutes 1991 Supplement, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The rules must require that infested areas that are covered by a control program be marked as prohibited for use by watercraft.

Sec. 8. Minnesota Statutes 1990, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [~~SUSPENSION FOR NOT INSPECTING FOR OR REMOVING EURASIAN OR NORTHERN WATER MILFOIL HARMFUL EXOTIC SPECIES.~~] The commissioner, after notice and an opportunity for hearing, may

suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an *inspection* order of a conservation officer or other licensed peace officer *or an order* to remove Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescens*, *zebra mussels*, or *other ecologically harmful exotic species identified by the commissioner*, from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 9. Minnesota Statutes 1991 Supplement, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 \$4 is placed on each watercraft licensed under subdivisions 1 to 5 *except canoes and kayaks* for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands. *Not more than \$140,000 of the revenue from the surcharge may be spent for management of purple loosestrife.*

Sec. 10. [APPROPRIATION.]

\$. is appropriated to the commissioner of natural resources for the purposes of sections 1 to 9, to be available until June 30, 1994. Fifty percent of the appropriation is from the water recreation account and 50 percent is from the general fund."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.969; and 86B.415, subdivision 7."

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. 2193: A bill for an act authorizing a conveyance of state lands to the city of Biwabik.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [SALE OF TAX-FORFEITED LAND; BIWABIK.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey the tax-forfeited land described in paragraph (c) to the city of Biwabik. The land is located in the city of Biwabik in St. Louis county.

(b) The land described in paragraph (c) may be conveyed by quitclaim deed in a form approved by the attorney general. The consideration for the conveyance must be the appraised value of the land plus the cost of appraisal.

(c) The land that may be conveyed is the land described as follows, except for any state highway right-of-way:

- the NW 1/4 of the SW 1/4 of section 1;*
 - the NE 1/4 of the SE 1/4 of section 2; and*
 - the SW 1/4 of the SE 1/4 of section 2,*
- all in Township 58 North of Range 16 West.*

Sec. 2. [SALE OF TAX-FORFEITED LANDS: LEECH LAKE BAND OF CHIPPEWA INDIANS.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be conveyed by private sale to the Leech Lake Band of Chippewa Indians for not less than the appraised value. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Hubbard county and is described as: the south half of the northwest quarter of the southeast quarter, Section 13, Township 145 North, Range 32 West of the Fifth Principal Meridian, Hubbard county, Minnesota, containing 20 acres, more or less.

(d) The land is contiguous to the Leech Lake landfill and there has been some inadvertent encroachment of the landfill onto the land. The land is needed to provide cover materials for closing the landfill.

Sec. 3. [SALE OF TAX-FORFEITED LAND IN ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca county may convey by private sale the tax-forfeited land bordering public waters described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to the owners of units in Pokegama Commons condominium in Itasca county, or their assigns. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is described as:

The COMMON ELEMENTS as shown on CONDOMINIUM NO. 4 POKEGAMA COMMONS, A CONDOMINIUM, according to the recorded condominium thereof, Itasca County, Minnesota being that part of the Northwest Quarter of the Northeast Quarter of Section 26, Township 54, Range 26, Itasca County, Minnesota, lying North of County Road Number 17, and that part of Government Lot 5, Section 23, Township 54, Range 26, Itasca County, Minnesota, lying South of the South line of THE PLAT OF SHERRY'S ARM, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota, as now monumented and laid out, excepting therefrom the following described tracts.

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet to the point of beginning of the land to be described; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees

55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East, a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East, a distance of 268.53 feet; thence Northerly, a distance of 47.64 feet, along a nontangential curve concave to the Northwest, having a radius of 315.84 feet and a central angle of 8 degrees 38 minutes 34 seconds, the chord of said curve bearing North 16 degrees 50 minutes 55 seconds East; thence North 12 degrees 31 minutes 37 seconds East, tangent to the last described curve, a distance of 498.59 feet; thence North 77 degrees 28 minutes 23 seconds West, a distance of 255.00 feet; thence South 12 degrees 31 minutes 37 seconds West a distance of 266.96 feet; thence West to the West line of said Government Lot 5; thence southerly along said West line of Government Lot 5 to the point of beginning.

AND

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East a distance of 323.25 feet to the point of beginning of the land to be described; thence continuing South 42 degrees 55 minutes 19 seconds East a distance of 220.00 feet; thence North 47 degrees 04 minutes 19 seconds East, a distance of 190.00 feet; thence North 42 degrees 55 minutes 19 seconds West a distance of 340.49 feet; thence South 12 degrees 31 minutes 37 seconds West a distance of 146.33 feet; thence Southerly a distance of 79.11 feet along a tangential curve concave to the Northwest, having a radius of 365.84 feet and a central angle of 12 degrees 23 minutes 24 seconds to the point of beginning.

AND EXCEPT

Condominium Units 1 through 16 inclusive said CONDOMINIUM NO. 4, POKEGAMA COMMONS A CONDOMINIUM.

(d) The land is common area for the Pokegama Commons condominium development on Pokegama Lake in Itasca county. To make the condominium units usable and return the property to the tax rolls, the common area and the units must be brought back into common ownership.

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 authorizing the sale of tax-forfeited lands in St. Louis, Hubbard, and Itasca counties."

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. 2042: A bill for an act relating to the environment: banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; amending Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [115A.932] [MERCURY PROHIBITION.]

A person may not place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

- (1) in solid waste;*
- (2) in a solid waste processing facility;*
- (3) in a solid waste disposal facility; or*
- (4) in a wastewater disposal system.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2, is amended to read:

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, *including mercury.*

Sec. 3. [116.92] [MERCURY EMISSIONS REDUCTION.]

Subdivision 1. [SALES.] A person may not sell mercury to another person in this state without providing a material safety data sheet required under federal law and requiring the purchaser to sign a statement that the purchaser:

- (1) will use the mercury only for a medical, dental, instructional, research, or manufacturing purpose; and*
- (2) understands the toxicity of mercury and will appropriately store and use it and will not place, or allow anyone under the purchaser's control to place, the mercury in the solid waste stream or in a wastewater disposal system.*

Subd. 2. [USE OF MERCURY.] *A person who uses mercury in any application may not place, or deliver the mercury to another person who places residues, particles, scrapings, or other materials that contain mercury in solid waste or wastewater, except for traces of materials that may inadvertently pass through a filtration system during a dental procedure.*

Subd. 3. [LABELING; PRODUCTS CONTAINING MERCURY.] A person may not sell for resale in this state any of the following items that contain mercury unless the item is labeled in a manner to clearly inform a purchaser or consumer that mercury is present in the item and that the item may not be placed in the garbage until the mercury is removed and reused, recycled, or otherwise managed to ensure that it does not become part of solid waste or wastewater:

- (1) a thermostat or thermometer;*
- (2) an electric switch, individually or as part of another product, other than a motor vehicle;*
- (3) an appliance; and*
- (4) a medical or scientific instrument.*

Subd. 4. [REMOVAL FROM SERVICE; PRODUCTS CONTAINING MERCURY.] When any one of the items listed in subdivision 3 is removed from service the mercury in the item must be reused, recycled, or otherwise managed to ensure that the mercury is not placed in the solid waste stream or in a wastewater disposal system.

A person who is in the business of installing or repairing any of the items listed in subdivision 3 in households shall ensure, or deliver the item to a facility that will ensure, that the mercury contained in an item that is replaced or repaired is reused or recycled or otherwise managed to preclude placement in the solid waste stream or in a wastewater disposal system.

Subd. 5. [THERMOSTATS.] A manufacturer of thermostats that contain mercury or that may replace thermostats that contain mercury shall, in addition to the requirements of subdivision 3, provide sufficient information to and incentives for purchasers and consumers of the thermostats for the purchasers or consumers to ensure that mercury in thermostats being removed from service is reused or recycled or otherwise managed to preclude placement in solid waste or in a wastewater disposal system. A manufacturer that has complied with this subdivision is not liable for improper disposal by purchasers or consumers of thermostats.

Subd. 6. [THERMOMETERS.] A medical facility may not routinely distribute thermometers containing mercury.

Subd. 7. [BAN; TOYS OR GAMES.] A person may not sell in this state a toy or game that contains mercury.

Sec. 4. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS: REPORT.]

The office of waste management, in consultation with the pollution control agency and manufacturers of fluorescent or high intensity discharge lamps that contain mercury, shall study and report to the legislative commission on waste management by December 1, 1992, with recommendations for fully implementing a system for ensuring that the toxic materials contained in lamps that are replaced is recycled or otherwise prevented from placement in the solid waste stream or wastewater disposal systems. The director of the office of waste management shall submit a preliminary report to the commission by October 1, 1992.

Sec. 5. [EFFECTIVE DATES.]

Section 3, subdivisions 1, 3, and 5, are effective January 1, 1993. Section

3, subdivision 4, is effective July 1, 1993.”

Delete the title and insert:

“A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; requiring a report on fluorescent and high intensity discharge lamps; amending Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; and 116.”

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. 2012: A bill for an act relating to crimes; enforcing mandatory insurance requirement for vehicles; providing for penalties; providing for loss of driver's license and motor vehicle registration; amending Minnesota Statutes 1990, sections 65B.67, subdivision 4; 169.791; 169.792; 169.793; 169.794; and 171.19; Minnesota Statutes 1991 Supplement, sections 168.041, subdivision 4; 169.795; 171.29, subdivision 1; and 171.30, subdivision 1; repealing Minnesota Statutes 1990, section 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 2, line 36, reinstate the stricken “169.792 to” and delete the new language and insert “169.799”

Page 3, line 19, after the second “of” insert “this” and delete “65B.671”

Page 3, line 30, after “under” insert “this” and delete “65B.671 or 65B.672” and insert “or section 169.792”

Page 3, after line 30, insert:

“(j) *The definitions in section 65B.43 apply to sections 169.792 to 169.799.*”

Page 4, line 1, after the period, insert “A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections.”

Page 5, line 3, reinstate the stricken “shall” and delete “may”

Page 6, line 11, after the period, insert “The court may allow community service in lieu of any fine imposed if the defendant is indigent.”

Page 6, lines 14 and 15, delete “65B.672” and insert “169.792”

Page 6, lines 26 and 32, reinstate the stricken language and delete the new language

Page 8, line 6, delete “chapter 65B” and insert “section 169.791 or 169.797”

Page 9, line 26, delete “65B.671” and insert “169.791”

Page 10, line 9, delete "65B.67" and insert "169.797"

Page 12, line 35, after the period, insert "The court may allow community service in lieu of any fine imposed if the defendant is indigent."

Pages 12 and 13, delete section 6

Page 13, line 10, reinstate the stricken language

Page 13, line 11, delete the new language

Page 13, after line 11, insert:

"Sec. 6. Minnesota Statutes 1990, section 169.796, is amended to read:
169.796 [VERIFICATION OF INSURANCE COVERAGE.]

Subdivision 1. [RELEASE OF INFORMATION.] An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal, arising in connection with the release of the information.

Subd. 2. [RECEIPT OF DATA BY ELECTRONIC TRANSFER.] The commissioner may, in the commissioner's discretion, agree to receive by electronic transfer any information required by this chapter to be provided to the commissioner by an insurance company.

Sec. 7. [169.797] [PENALTIES FOR FAILURE TO PROVIDE SECURITY FOR BASIC REPARATION BENEFITS.]

Subdivision 1. [TORT LIABILITY.] Every owner of a vehicle for which security has not been provided as required by section 65B.48, shall not by the provisions of this chapter be relieved of tort liability arising out of the operation, ownership, maintenance, or use of the vehicle.

Subd. 2. [VIOLATION BY OWNER.] Any owner of a vehicle with respect to which security is required under sections 65B.41 to 65B.71 who operates the vehicle or permits it to be operated upon a public highway, street, or road in this state and who knows or has reason to know that the vehicle does not have security complying with the terms of section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.

Subd. 3. [VIOLATION BY DRIVER.] Any other person who operates a vehicle upon a public highway, street, or road in this state who knows or has reason to know that the owner does not have security complying with the terms of section 65B.48 in full force and effect is guilty of a crime and shall be sentenced as provided in subdivision 4.

Subd. 3a. [FALSE STATEMENTS.] Any owner of a vehicle who falsely claims to have a plan of reparation security in effect at the time of registration of a vehicle pursuant to section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.

Subd. 4. [PENALTY.] (a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the

death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than \$100 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.

(b) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months. If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

(c) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

Subd. 4a. [REVOCATION OF REGISTRATION AND SUSPENSION OF LICENSE.] The commissioner of public safety shall revoke the registration of any vehicle and may suspend the driver's license of any operator, without preliminary hearing upon a showing by department records, including accident reports required to be submitted by section 169.09, or other sufficient evidence that security required by section 65B.48 has not been provided and maintained. Before reinstatement of the registration, there shall be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier to be noncancelable for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended or revoked as provided in this section before reinstating the person's driver's license.

Subd. 5. [NONRESIDENTS.] When a nonresident's operating privilege is suspended pursuant to this section, the commissioner of public safety or a designee shall transmit a copy of the record of the action to the official in charge of the issuance of licenses in the state in which the nonresident resides.

Subd. 6. [LICENSE SUSPENSION.] Upon receipt of notification that the operating privilege of a resident of this state has been suspended or revoked in any other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the payment of judgments arising out of a vehicle accident, or for failure to provide security covering a vehicle if required by the laws of that state, the commissioner of public safety shall suspend the operator's license of the resident until the resident furnishes evidence of compliance with the laws of this state and if applicable the laws of the other state.

Sec. 8. [169.798] [RULES OF COMMISSIONER OF PUBLIC SAFETY.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety shall have the power and perform the duties imposed by sections 65B.41 to 65B.71, this section, and sections 169.797 and 169.799, and may adopt rules to implement and provide effective administration of the provisions requiring security and governing termination of security.

Subd. 2. [EVIDENCE OF SECURITY REQUIRED.] The commissioner of public safety may by rule provide that vehicles owned by certain persons may not be registered in this state unless satisfactory evidence is furnished that security has been provided as required by section 65B.48. If a person who is required to furnish evidence ceases to maintain security, the person shall immediately surrender the registration certificate and license plates for the vehicle. These requirements may be imposed if:

(1) The registrant has not previously registered a vehicle in this state; or

(2) An owner or operator of the vehicle has previously failed to comply with the security requirements of sections 65B.41 to 65B.71 or of prior law; or

(3) The driving record of an owner or operator of the vehicle evidences a continuing disregard of the laws of this state enacted to protect the public safety; or

(4) Other circumstances indicate that action is necessary to effectuate the purposes of sections 65B.41 to 65B.71.

Subd. 3. [SECURITY NOT REQUIRED.] No owner of a boat, snowmobile, or utility trailer registered for a gross weight of 3,000 pounds or less shall be required by the commissioner of public safety to furnish evidence that the security required by section 65B.48 has been provided.

Sec. 9. [169.799] [OBLIGOR'S NOTIFICATION OF LAPSE, CANCELLATION, OR FAILURE TO RENEW POLICY OF COVERAGE.]

If the required plan of reparation security of an owner or named insured is canceled, and notification of such fact is given to the insured as required by section 65B.19, a copy of such notice shall within 30 days after coverage has expired be sent to the commissioner of public safety. If, on or before the end of that 30-day period, the insured owner of a vehicle has not presented the commissioner of public safety or an authorized agent with evidence of required security which shall have taken effect upon the expiration of the previous coverage, or if the insured owner or registrant has not instituted an objection to the obligor's cancellation under section 65B.21, within the time limitations therein specified, the insured owner or registrant shall immediately surrender the registration certificate and vehicle license plates to the commissioner of public safety and may not operate or permit operation of the vehicle in this state until security is again provided and proof of security furnished as required by sections 65B.41 to 65B.71."

Page 14, line 8, after "section" insert "169.791, 169.797, or"

Page 14, line 9, delete the new language and strike "65B.67"

Page 14, line 10, reinstate the stricken language and delete the new language

Page 14, line 14, delete "65B.672" and insert "169.792"

Page 14, line 19, strike "65B.67," and delete the new language

Page 14, line 20, reinstate the stricken language and before "or" insert "169.797,"

Page 15, line 22, reinstate the stricken language and delete the new language

Page 15, line 32, delete "RENUMBERING" and insert "CROSS-REFERENCES"

Page 15, delete lines 33 and 34

Page 15, line 35, delete "also"

Page 15, line 36, before the period, insert "of sections 65B.67 as 169.797, 65B.68 as 169.798, and 65B.69 as 169.799"

Page 16, delete lines 1 to 7

Page 16, line 19, delete "12" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "65B.67, subdivision 4;"

Page 1, line 7, delete "169.794" and insert "169.796"

Page 1, line 10, after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 169;"

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. 2000: A bill for an act relating to family law; modifying provisions dealing with the administration, computation, and enforcement of child support; modifying visitation provisions; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 257.67, subdivision 3; 357.021, subdivision 1a; 518.003, subdivision 3; 518.14; 518.171, subdivisions 1, 3, 4, 5, 6, 7, and 9; 518.175, subdivision 1; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 7, and 10, and by adding subdivisions; 518.57, subdivision 1, and by adding subdivisions; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 357.021, subdivision 2; 518.551, subdivisions 5, 5b, and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapters 16B and 518; repealing Minnesota Statutes 1990, section 609.37.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMPUTATION AND ENFORCEMENT OF SUPPORT

Section 1. Minnesota Statutes 1991 Supplement, section 214.101, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] (a)

For purposes of this section, "licensing board" means a licensing board or other state agency that issues an occupational license.

(b) 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.

Sec. 2. Minnesota Statutes 1990, section 257.67, subdivision 3, is amended to read:

Subd. 3. Willful failure to obey the judgment or order of the court is a ~~civil~~ contempt of the court. All remedies for the enforcement of judgments apply including those available under *chapters 518 and 518C and sections 518C.01 to 518C.36 and 256.871 to 256.878.*

Sec. 3. Minnesota Statutes 1990, section 518.003, subdivision 3, is amended to read:

Subd. 3. [CUSTODY.] Unless otherwise agreed by the parties:

(a) "Legal custody" means the right to determine the child's upbringing, including education, health care, and religious training.

(b) "Joint legal custody" means that both parents have equal rights and responsibilities, including the right to participate in major decisions determining the child's upbringing, including education, health care, and religious training.

(c) "Physical custody and residence" means the routine daily care and control and the residence of the child.

(d) "Joint physical custody" means that the routine daily care and control and the residence of the child is structured between the parties. *For purposes of calculations under section 518.551, subdivision 5, joint physical custody means that a child resides not more than 60 percent of the time with either party.*

(e) "*Split physical custody*" means that each party separately provides the routine daily care, control, and residence of one or more of the parties' children.

(f) Wherever used in this chapter, the term "custodial parent" or "custodian" means the person who has the physical custody of the child at any particular time.

(g) "Custody determination" means a court decision and court orders and instructions providing for the custody of a child, including visitation rights, but does not include a decision relating to child support or any other monetary obligation of any person.

~~(g)~~ (h) "Custody proceeding" includes proceedings in which a custody determination is one of several issues, such as an action for dissolution, divorce, or separation, and includes proceedings involving children who are in need of protection or services, domestic abuse, and paternity.

Sec. 4. Minnesota Statutes 1990, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS AND ATTORNEY FEES.]

In a proceeding under this chapter, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

(1) that the fees are necessary for the good-faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;

(2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and

(3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Nothing in this section precludes the court from awarding, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section may be awarded at any point in the proceeding, *including a modification proceeding under sections 518.18 and 518.64*. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 5. Minnesota Statutes 1990, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, or upon application of the obligor pursuant to the order, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the obligor is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan. *An employer or union that fails to comply with the order is liable for any health or dental expenses incurred by a parent for the child that would have been covered, had the plan been in effect, and any other premium costs incurred because the employer failed to comply with the order. An employer or union that fails to comply with the order is subject to contempt of court.* Failure of the

obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 6. Minnesota Statutes 1990, section 518.171, subdivision 6, is amended to read:

Subd. 6. [INSURER REIMBURSEMENT; CORRESPONDENCE AND NOTICE.] (a) The signature of the custodial parent of the insured dependent is a valid authorization to the insurer for purposes of processing an insurance reimbursement payment to the provider of the medical services. *If a parent makes a payment for medical services for which reimbursement is required, the insurer shall pay the reimbursement directly to the parent who made the payment.*

(b) The insurer shall send copies of all correspondence regarding the insurance coverage to both parents. When an order for dependent insurance coverage is in effect and the obligor's employment is terminated, or the insurance coverage is terminated, the insurer shall notify the obligee within ten days of the termination date with notice of conversion privileges.

Sec. 7. Minnesota Statutes 1990, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such rights of visitation on behalf of ~~the~~ *each* child and noncustodial parent as will enable the child and the noncustodial parent to maintain a child to parent relationship that will be in the best interests of the child. *In particular, the court shall consider the need of each child to spend time alone with each parent.* If the court finds, after a hearing, that visitation is likely to endanger ~~the~~ *any* child's physical or emotional health or impair ~~the~~ *any* child's emotional development, the court shall restrict visitation by the noncustodial parent *with that child* as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of ~~the~~ *each* child and ~~the~~ *each* child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 8. Minnesota Statutes 1990, section 518.24, is amended to read:
518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the

terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. *A child support order constitutes a finding by the court that the obligor has the ability to pay the award.* If the obligor disobeys the order, it is prima facie evidence of contempt.

Sec. 9. Minnesota Statutes 1990, section 518.54, subdivision 4, is amended to read:

Subd. 4. [SUPPORT MONEY; CHILD SUPPORT.] "Support money" or "child support" means:

(1) an award in a dissolution, legal separation, ~~or annulment, or parentage~~ proceeding for the care, support and education of any child of the marriage or of the parties to the ~~annulment~~ proceeding; or

(2) a contribution by parents ordered under section 256.87.

"Support money" or "child support" includes interest on arrearages under section 548.091, subdivision 1a.

Sec. 10. Minnesota Statutes 1990, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [SCOPE; PAYMENT TO PUBLIC AGENCY.] (a) This section applies to all proceedings involving an award of child support.

(b) The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement. This includes the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 11. Minnesota Statutes 1991 Supplement, 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~~ shall 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~~ considering the best interests of the child.

The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the 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 may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

(b) The court shall derive a specific dollar amount for child support 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 - \$550 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%

5,000, or the amount currently in effect under paragraph (k).

Guidelines for support for an obligor with a monthly income of ~~\$4,001 or more~~ in excess of the income limit currently in effect shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of ~~\$4,000~~, equal to the limit. The court may apply the guideline percentages to any portion of net monthly income in excess of the income limit, but the rebuttable presumption in paragraph (i) does not apply to this additional amount. The court may order that a portion of net monthly income in excess of the applicable income limit be used to establish a trust fund for the costs of post-secondary education for the child. Payments from any trust fund must be made directly to the educational institution that the child is attending. The trust must provide that if the proceeds are not used by the time the child reaches the age of 28, the trust reverts back to the obligor.

Net Income defined as:

Total monthly income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions

- (iv) ~~Reasonable~~
 Pension Deductions
Not to Exceed
Five Percent of
Gross Income

*Standard
 Deductions apply-
 use of tax tables
 recommended

- (v) ~~Union Dues~~
 (vi) Cost of Dependent Health
 Insurance Coverage
That the Obligor
is Required to
Provide
 (vii) Cost of Individual or
 Group Health/
 Hospitalization
 Coverage or an
 Amount for Actual
 Medical Expenses
 (viii) (v) 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:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(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;

(C) the excess employment is voluntary and not a condition of employment;

(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

(E) the party’s compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

In sole custody cases, the court shall review work-related child care expenses of the custodial parent and shall increase the amount of the child support award by an additional amount deemed reasonable and necessary for child care costs, considering the financial circumstances and needs of

the parties. The court shall make written findings concerning its determination. If a party who has joint physical custody of a child has work-related child care expenses, the court shall allocate the net cost of work-related child care to each parent in proportion to each parent's share of the total combined incomes of the parents. The value of the federal and state income tax credit for child care must be subtracted from actual costs to calculate a figure for net child care costs. The court may allow the noncustodial parent to care for the child while the custodial parent is working if this arrangement is reasonable and in the best interests of the child. In all cases, the court shall determine that child care costs allocated to a parent are reasonable and necessary.

If the parties have joint physical or split physical custody of a child, the court shall compute the guideline amount owed by each party based on the percentage of time that the other party has physical custody and then adjust the guideline amount to take into account the duplicative costs inherent in maintaining two full households for the child.

~~(b)~~ (c) 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)~~ (b), clause (2)(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)~~ (4) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; ~~and~~

~~(6)~~ (5) the parents' debts as provided in paragraph ~~(e)~~ (d); *and*

(6) existing or anticipated extraordinary medical expenses of the child not apportioned between the parties.

~~(e)~~ (d) 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.

~~(f)~~ (e) Any schedule prepared under paragraph ~~(e)~~ (d), 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)~~ (f) 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~~ (g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

~~(g)~~ (h) 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.

~~(h)~~ (i) 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)~~ (c) 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.

(j) *If the child support payments are assigned to the public agency under section 256.74, the court may not deviate downward from the child support guidelines unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.*

(k) *The dollar amount of the income limit for application of the guidelines must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The supreme court shall select the index for the adjustment from the indices listed in section 518.641. The state court administrator shall make the changes in the dollar amount required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. [DETERMINATION OF INCOME.] (a) The parties shall timely serve and file documentation of earnings and 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 earnings and income also 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 earnings and 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) *In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them their most recent federal tax returns. The party shall provide a copy of the tax returns within 30 days of receipt of the request. Failure of a party, without leave of the court, to provide the tax return as required under this paragraph is contempt of court.*

(c) *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 ~~(e)~~ (d). Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota department of jobs and training under section 268.121.*

~~(e)~~ (d) *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 unemployment or underemployment: (1) is 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 a recipient of public assistance under sections 256.72 to 256.87 or chapter 256D, or is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.*

Sec. 13. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 5d. [EDUCATION TRUST FUND.] If the child support order provides the child with a reasonable standard of living, the parties may agree to designate a sum of money as a trust fund for the costs of post-secondary education. The court shall advise parties that this option is available and that they may wish to consult an attorney concerning the creation of a trust. The state court administrator, in consultation with attorneys experienced in trust law, shall prepare a model trust instrument which the court administrator shall provide to parties who have minor children.

Sec. 14. Minnesota Statutes 1990, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support

orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents a party to the action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) evidentiary hearing on contempt motions: ~~and~~
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings: *and*

(5) motions described in this clause. If a motion to obtain, modify, or enforce child support is filed in the district court, it must be decided by the district court. If a petition for marriage dissolution, legal separation, annulment, or determination of parentage is pending in the district court and the parties have minor children, issues relating to obtaining, modifying, and enforcing child support that arise during the pendency of the proceeding must be decided by the district court. If during the pendency of a motion or proceeding described in this clause, the county human services agency becomes a party to, or commences representation of a party in, a matter involving the support of a child whose support is also at issue in the motion or proceeding pending before the district court, the county human services agency may intervene in the district court. However, the county human services agency shall not commence proceedings concerning the support of that child before an administrative law judge, until after the district court has decided the motion or entered judgment in the proceeding pending before it.

An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, acting at the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

Sec. 15. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 12, is amended 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 *in arrears in court-ordered child support payments*, the court may provide for suspension of licenses as provided in this subdivision. *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 or by any other state agency that issues an occupational license*, the court may direct the licensing board or other licensing agency to conduct a hearing under section 214.101 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. 16. Minnesota Statutes 1990, section 518.57, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Upon a decree of dissolution, legal separation, or annulment, the court shall make a further order which is just and proper concerning the maintenance of the minor children as provided by section 518.551, and for the maintenance of any child of the parties as defined in section 518.54, as support money; ~~and. The court may make the same any child support order a lien or charge upon the property of the parties to the proceeding, or either of them obligor,~~ either at the time of the entry of the judgment or by subsequent order upon proper application.

Sec. 17. Minnesota Statutes 1990, section 518.57, is amended by adding a subdivision to read:

Subd. 4. [OTHER CUSTODIANS.] *If a child resides with a person other than a parent and the court approves of the custody arrangement, the court may order child support payments to be made to the custodian regardless of whether the person has legal custody.*

Sec. 18. [518.585] [NOTICE OF INTEREST ON LATE CHILD SUPPORT.]

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260.251 must include a notice to the parties that section 548.091, subdivision 1a, provides for interest to begin accruing on a payment or installment

of child support whenever the unpaid amount due is greater than the current support due.

Sec. 19. Minnesota Statutes 1990, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) Notwithstanding any law to the contrary, the order is binding on the employer, trustee, payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule. An employer, payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2 and section 518.613 and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. *The obligor is deemed to have paid the amount withheld as of the date the obligor received the remainder of the income.* The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement.

(b) Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party.

(c) An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement. *An employer or other payor of funds or a financial institution that fails to withhold or transfer funds in accordance with this section is also liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred. An employer or other payor of funds or a financial institution is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. An employer or other payor of funds or a financial institution that has failed to comply with the requirements of this section is subject to contempt of court.*

Sec. 20. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 1, is amended to read:

Subdivision 1. [MODIFICATION; CONTEMPT.] 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 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 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. *A party or the public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments or if a party has wrongfully interfered with visitation rights.*

Sec. 21. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 2. is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of 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; or (5) *extraordinary medical expenses of the child. In determining whether a child's needs have increased, the court may consider anticipated expenses for post-secondary education.*

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.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, 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 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 and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. 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, 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.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 22. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 5, is amended to read:

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 for support or maintenance *or for contempt of court*. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 23. Minnesota Statutes 1990, section 548.091, subdivision 1a, is amended to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues from the date the ~~judgment on the payment or installment is entered and docketed under subdivision 3a.~~ *unpaid amount due is greater than the current support due* at the annual rate provided in section 549.09, subdivision 1. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

Sec. 24. Minnesota Statutes 1990, section 588.20, is amended to read:
588.20 [CRIMINAL CONTEMPTS.]

Every person who shall commit a contempt of court, of any one of the following kinds, shall be guilty of a misdemeanor:

(1) Disorderly, contemptuous, or insolent behavior, committed during the sitting of the court, in its immediate view and presence, and directly tending to interrupt its proceedings, or to impair the respect due to its authority;

(2) Behavior of like character in the presence of a referee, while actually engaged in a trial or hearing, pursuant to an order of court, or in the presence of a jury while actually sitting for the trial of a cause, or upon an inquest or other proceeding authorized by law;

(3) Breach of the peace, noise, or other disturbance directly tending to interrupt the proceedings of a court, jury, or referee;

(4) Willful disobedience to the lawful process or other mandate of a court;

(5) Resistance willfully offered to its lawful process or other mandate;

(6) Contumacious and unlawful refusal to be sworn as a witness, or, after being sworn, to answer any legal and proper interrogatory;

(7) Publication of a false or grossly inaccurate report of its proceedings;
or

(8) *Willful failure to pay court-ordered child support when the obligor has the ability to pay, or unwarranted denial of or interference with court-ordered visitation rights.*

No person shall be punished as herein provided for publishing a true, full, and fair report of a trial, argument, decision, or other proceeding had in court.

Sec. 25. Minnesota Statutes 1990, section 609.375, subdivision 1, is amended to read:

Subdivision 1. Whoever is legally obligated to provide care and support to a spouse who is in necessitous circumstances, or child, whether or not its custody has been granted to another, and knowingly omits and fails without lawful excuse to do so is guilty of ~~non~~support of the spouse or child, ~~as the case may be a misdemeanor~~, and upon conviction thereof may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 26. Minnesota Statutes 1990, section 609.375, subdivision 2, is amended to read:

Subd. 2. If the ~~knowing omission and failure without lawful excuse to provide care and support to a spouse, a minor child, or a pregnant wife~~ violation of subdivision 1 continues for a period in excess of 90 days the person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 27. [INCOME WITHHOLDING; SINGLE CHECK SYSTEM.]

The commissioner of human services, in consultation with county child support enforcement agencies, shall study and make recommendations on the feasibility of establishing a single check system under which employers

who are implementing income withholding may make one combined payment for payments due to public authorities to one public authority or to the commissioner of human services. The commissioner shall estimate the cost of the single check system and the level of fees that would be necessary to make the system self-supporting. The commissioner shall report to the legislature by January 15, 1994.

Sec. 28. [JOINT AND SPLIT CUSTODY CHILD SUPPORT.]

The commissioner of human services' advisory committee for child support enforcement shall study and make recommendations on guidelines or formulas for the computation of child support in cases involving joint physical or split custody. The commissioner shall perform data analysis of any guidelines or formulas being recommended by the committee to determine the impact of the formula on child support based on different income levels and the number of children involved. The commissioner shall report the findings and recommendations of the committee to the legislature by January 15, 1993.

Sec. 29. [REPEALER.]

Minnesota Statutes 1990, section 609.37, is repealed.

Sec. 30. [EFFECTIVE DATE; APPLICATION.]

(a) Section 11 applies to child support orders entered or modified on or after the effective date.

(b) Section 18 is effective January 1, 1994, for all judgments, decrees, and orders entered on or after that date.

(c) Section 23 is effective January 1, 1994, for all payments and installments of child support due on or after that date.

(d) Sections 24, 26, and 29 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 2

ADMINISTRATION AND FUNDING

Section 1. Minnesota Statutes 1990, section 256.019, is amended to read:
256.019 [RECOVERY OF MONEY; APPORTIONMENT.]

When an amount is recovered from any source for assistance given under the provisions governing public assistance programs including aid to families with dependent children, emergency assistance, general assistance, work readiness, and Minnesota supplemental aid, there shall be paid to the United States the amount due under the terms of the Social Security Act and the balance must be paid into the treasury of the state or county in accordance with current rates of financial participation; except if the recovery is directly attributable to county effort, the county may keep one-half of the nonfederal share of the recovery. This does not apply to recoveries from medical providers or to recoveries begun by the department of human services' surveillance and utilization review division, state hospital collections unit, ~~and the~~ or benefit recoveries division; or, by the attorney general's office; ~~or child support collections.~~

Sec. 2. Minnesota Statutes 1990, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all

bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. *Except as provided in paragraph (d)*, the court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement *or modification*, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance; or

(8) restitution under section 611A.04.

(d) *The fees collected for child support modifications under subdivision 2, clause (11), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trustships, \$10.

(10) For the deposit of a will, \$5.

(11) *Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.*

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 4. Minnesota Statutes 1990, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. *The public agency may impose a late fee penalty at an annual rate of six percent of the unpaid support due, commencing 30 days after the end of the month when the support was due. An application fee not to exceed \$5 \$25 shall be paid by the person who applies for child support and maintenance collection services, except persons who transfer from public assistance to*

nonpublic assistance status. *The fee may be deducted from the next child support payment for the obligee collected by the public agency if the obligee is unable to pay the fee at the time of the application.* Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

Sec. 5. Minnesota Statutes 1990, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. *Other counties may elect to participate in the process.* All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties ~~designated by the commissioner of human services that participate in the process~~ in which the county human services agency is a party or represents a party to the action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) evidentiary hearing on contempt motions; and
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

(b) An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

(c) For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

(d) Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

(e) Nonattorney employees of the public agency responsible for child

support in the counties designated by the commissioner, acting at the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

(f) The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

(g) The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

(h) *The commissioner shall distribute money appropriated for this purpose to counties to cover the costs of the administrative process, including costs of administrative law judges. If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount appropriated among the counties.*

Sec. 6. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 13. [CONSULTATION WITH LEGAL STAFF AND PRACTITIONERS.] When considering and developing legislative initiatives and when developing rules, procedures, and forms, the state office of child support shall consult judges, attorneys in the department and the attorney general's office, county attorneys and support enforcement staff, and family law practitioners.

Sec. 7. [CHILD SUPPORT COMPUTER SYSTEM.]

The commissioner of human services, in consultation with county child support enforcement agencies, shall take appropriate action to ensure that the statewide computer system for the collection and enforcement of child support is operating effectively and efficiently as soon as possible. The commissioner shall report to the legislature by January 15, 1993, concerning the present status of the computer system, any problems in the functioning of the system statewide, and plans for correcting outstanding problems in the system by January 1, 1994.

Sec. 8. [SAVINGS DESIGNATED FOR COUNTY ADMINISTRATION.]

The commissioner of human services and the commissioner of finance shall estimate the savings to the state that will result from prohibiting downward deviations from the child support guidelines in AFDC cases. Before the end of fiscal year 1993, the amount of the estimated savings for fiscal year 1993 must be transferred from the appropriation for AFDC to the appropriation for county child support enforcement incentive grants in Laws 1991, chapter 292, article 1, section 2, subdivision 4, to be allocated

to counties in the same manner as the original appropriation for fiscal year 1993. For purposes of the governor's 1994-1995 biennial budget recommendations, the amount transferred during fiscal year 1993 and any additional savings projected for the biennium as a result of prohibiting downward deviations in AFDC cases must be added to the direct legislative appropriations and considered part of the base level funding for county child support enforcement incentives.

Sec. 9. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of human services for fiscal year 1993, to provide grants to counties for the costs of the administrative process for child and medical support orders established under Minnesota Statutes, section 518.551, subdivision 10.

Sec. 10. [EFFECTIVE DATE.]

The late fee penalty under section 4 is effective January 1, 1994.

ARTICLE 3

CUSTODY AND VISITATION

Section 1. Minnesota Statutes 1990, section 257.022, subdivision 2, is amended to read:

Subd. 2. [FAMILY COURT PROCEEDINGS.] In all proceedings for dissolution, custody, legal separation, annulment, or parentage subsequent to the commencement of the proceeding or at any time after completion of the proceeding, and continuing thereafter during the minority of the child, the court may, upon the request of the parent or grandparent of a party, grant reasonable visitation rights to the unmarried minor child, after dissolution of marriage, legal separation, annulment, or determination of parentage during minority if it finds that visitation rights would be in the best interests of the child and would not interfere with the parent child relationship. The court shall consider the amount of personal contact between the parents or grandparents of the party and the child prior to the application.

Sec. 2. Minnesota Statutes 1990, section 257.022, is amended by adding a subdivision to read:

Subd. 4. [ESTABLISHMENT OF INTERFERENCE WITH PARENT AND CHILD RELATIONSHIP.] The court may not deny visitation rights under this section based on allegations that the visitation rights would interfere with the relationship between the custodial parent and the child unless the truth of the allegations is established by a preponderance of the evidence after a hearing.

Sec. 3. Minnesota Statutes 1990, section 257.025, is amended to read:

257.025 [CUSTODY DISPUTES.]

(a) In any proceeding where two or more parties seek custody of a child the court shall consider and evaluate all relevant factors in determining the best interests of the child, including the following factors:

- (1) the wishes of the party or parties as to custody;
- (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- (3) the child's primary caretaker;

(4) the intimacy of the relationship between each party and the child;

(5) the interaction and interrelationship of the child with a party or parties, siblings, and any other person who may significantly affect the child's best interests;

(6) the child's adjustment to home, school, and community;

(7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(8) the permanence, as a family unit, of the existing or proposed custodial home;

(9) the mental and physical health of all individuals involved;

(10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture, religion, or creed, if any;

(11) the child's cultural background; and

(12) the effect on the child of the actions of an abuser, if related to domestic abuse as defined in section 518B.01, that has occurred between the parents or the parties.

The court may not use one factor to the exclusion of all others. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The fact that the parents of the child are not or were never married to each other shall not be determinative of the custody of the child.

(c) The court shall not consider *a disability, as defined in section 363.01, of a proposed custodian or the child or conduct of a proposed custodian that does not affect the custodian's relationship to the child.*

(d) The court shall consider evidence of a violation of section 609.507 in determining the best interests of the child.

(e) A person may seek custody of a child by filing a petition or motion pursuant to section 518.156.

(f) Section 518.619 applies to this section.

Sec. 4. Minnesota Statutes 1990, section 518.156, subdivision 1, is amended to read:

Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) by a parent

(1) by filing a petition for dissolution or legal separation; or

(2) where a decree of dissolution or legal separation has been entered or where none is sought, by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered; or

(b) by a person other than a parent, where a decree of dissolution or legal separation has been entered or where none is sought by filing a petition or motion seeking custody or visitation of the child in the county where the

child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered. *A person seeking visitation pursuant to this paragraph must qualify under one of the provisions of section 257.022.*

Sec. 5. Minnesota Statutes 1990, section 518.17, subdivision 1, is amended to read:

Subdivision 1. [THE BEST INTERESTS OF THE CHILD.] (a) "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

- (1) the wishes of the child's parent or parents as to custody;
- (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- (3) the child's primary caretaker;
- (4) the intimacy of the relationship between each parent and the child;
- (5) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;
- (6) the child's adjustment to home, school, and community;
- (7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;
- (8) the permanence, as a family unit, of the existing or proposed custodial home;
- (9) the mental and physical health of all individuals involved;
- (10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;
- (11) the child's cultural background; and
- (12) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents.

The court may not use one factor to the exclusion of all others. The primary caretaker factor may not be used as a presumption in determining the best interests of the child. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The court shall not consider *a disability, as defined in section 363.01, of a proposed custodian or the child or* conduct of a proposed custodian that does not affect the custodian's relationship to the child.

Sec. 6. Minnesota Statutes 1990, section 518.175, subdivision 3, is amended to read:

Subd. 3. The custodial parent shall not move the residence of the child to another state except upon order of the court or with the consent of the noncustodial parent, when the noncustodial parent has been given visitation rights by the decree. *If the purpose of the move is to interfere with visitation rights given to the noncustodial parent by the decree, or if the custodial parent fails to show that the reasons for the proposed move are compelling*

and that the move is in the best interests of the child, the court shall not permit the child's residence to be moved to another state.

Sec. 7. Minnesota Statutes 1990, section 518.175, subdivision 6, is amended to read:

Subd. 6. [COMPENSATORY VISITATION; DAMAGES.] *(a) If the court finds that the noncustodial parent has been wrongfully deprived of the duly established right to visitation, the court shall order the custodial parent to permit additional visits to compensate for the visitation of which the non-custodial parent was deprived and may award damages or costs under paragraph (b) or (c). Additional visits must be:*

- (1) of the same type and duration as the wrongfully denied visit;*
- (2) taken within one year after the wrongfully denied visit; and*
- (3) at a time acceptable to the noncustodial parent.*

(b) If a parent is wrongfully deprived of visitation rights or if a parent is damaged because the other parent fails to exercise scheduled visitation rights, the court may award damages to the parent based on actual expenses incurred by the parent in connection with the visitation.

(c) The court may award costs and attorney fees to a parent in an action under this subdivision.

Sec. 8. Minnesota Statutes 1990, section 518.175, subdivision 7, is amended to read:

Subd. 7. [GRANDPARENT VISITATION.] *In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding or at any time after completion of the proceeding, and continuing during the minority of the child, the court may make an order granting visitation rights to grandparents under section 257.022, subdivision 2.*

Sec. 9. Minnesota Statutes 1991 Supplement, section 518.18, is amended to read:

518.18 [MODIFICATION OF ORDER.]

(a) Unless agreed to in writing by the parties, no motion to modify a custody order may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with paragraph (c).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with paragraph (c).

(c) The time limitations prescribed in paragraphs (a) and (b) shall not prohibit a motion to modify a custody order if the court finds that there is persistent and willful denial or interference with visitation, ~~or~~ if the court has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development, or if the court finds that a party with joint physical custody of the child has failed to provide physical custody in accordance with the custody order.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order unless it finds, upon the basis

of facts that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the parties and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custody arrangement established by the prior order unless:

- (i) both parties agree to the modification;
- (ii) the child has been integrated into the family of the petitioner with the consent of the other party; ~~or~~
- (iii) the child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child; *or*
- (iv) a party with joint physical custody of the child has failed to provide physical custody in accordance with the custody order.

In addition, a court may modify a custody order under section 631.52.

(e) In deciding whether to modify a prior joint custody order, the court shall apply the standards set forth in paragraph (d) unless: (1) the parties agree in writing to the application of a different standard, or (2) the party seeking the modification is asking the court for permission to move the residence of the child to another state.

Sec. 10. [EFFECTIVE DATE; APPLICATION.]

(a) Sections 1 and 8 are effective the day following final enactment and apply to proceedings commenced or completed before, on, or after the effective date.

(b) Section 2 is effective the day following final enactment and applies to proceedings pending on or commenced on or after that date.

(c) Section 4 is effective August 1, 1992, for visitation, petitions or motions pending or filed on or after that date."

Delete the title and insert:

"A bill for an act relating to family law; modifying provisions dealing with the administration, computation, and enforcement of child support; modifying visitation and custody provisions; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 256.019; 257.022, subdivision 2, and by adding a subdivision; 257.025; 257.67, subdivision 3; 357.021, subdivision 1a; 518.003, subdivision 3; 518.14; 518.156, subdivision 1; 518.17, subdivision 1; 518.171, subdivisions 4 and 6; 518.175, subdivisions 1, 3, 6, and 7; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding subdivisions; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; and 609.375, subdivisions 1 and 2; Minnesota Statutes 1991 Supplement, sections 214.101, subdivision 1; 357.021, subdivision 2; 518.18; 518.551, subdivisions 5, 5b, and 12; and 518.64, subdivisions 1, 2, and 5; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1990, section 609.37."

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. 2608 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.
2608	1649				

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. 2707 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.
				2707	2511

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2707 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2707 and insert the language after the enacting clause of S.F. No. 2511, the second engrossment; further, delete the title of H.F. No. 2707 and insert the title of S.F. No. 2511, the second engrossment.

And when so amended H.F. No. 2707 will be identical to S.F. No. 2511, and further recommends that H.F. No. 2707 be given its second reading and substituted for S.F. No. 2511, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. Dahl from the Committee on Education, to which was referred

S.F. No. 2326: A bill for an act relating to education: making technical changes on programs administered by the department of education; amending Minnesota Statutes 1990, sections 121.935, by adding a subdivision; 123.35, by adding a subdivision; 124A.22, by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2; and 275.125, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 120.17, subdivision 7a; 124.155, subdivision 2; 124.19, subdivision 1; 124.2727, subdivision 6; 124A.03, subdivision 2; 124A.23, subdivision 4; and 124A.24; Laws 1991, chapter 265, articles 7, section 37, subdivision 6; and 9, section 76; repealing Minnesota Statutes 1990, section 124A.23, subdivision 2a;

Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; 123.35, subdivision 19; and 124.646, subdivision 2; Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; and 6, section 60.

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 1991 Supplement, 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 *May*, 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 ~~37.0~~ *an amount equal to the levy recognized as revenue in June of the prior year plus 50.0* 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) ~~37.0~~ *50.0* 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 article 6, section 9*; 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 1991 Supplement, 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 *plus an amount equal to the levy recognized as revenue in June of the prior year*; or

(2) ~~37.0~~ 50.0 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~~ *homestead and agricultural credit* 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 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, education district, or secondary vocational cooperative for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, education district, or secondary vocational cooperative recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e. For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), plus revenue recognized according to section 121.904, subdivision 4e, shall not include any amount levied pursuant to ~~section~~ *sections 124A.03, subdivision 2, and 275.125, subdivisions 6e and 6i, and article 6, section 18, and article 12, section 22*. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 4. Minnesota Statutes 1990, section 124.17, is amended by adding a subdivision to read:

Subd. 1f. [RESIDENT DISTRICT.] For the purposes of this chapter, chapter 124A, and section 275.125, if the parent or guardian of a pupil is

an inmate of the Minnesota correctional facility-Shakopee, the pupil shall be counted as a resident of the district where the pupil lives and usually sleeps or where the person having physical custody of the pupil lives.

Sec. 5. Minnesota Statutes 1991 Supplement, 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 or a weekday which is a legal holiday, the payment shall be made on the immediately ~~preceding~~ following 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. 6. Minnesota Statutes 1991 Supplement, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. [APPEAL.] The commissioner may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness or if the commissioner determines that excessive short-term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to sections 1 and 2, and the district can document substantial harm to instructional programs due to these costs. The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 7. Minnesota Statutes 1990, section 124.73, subdivision 1, is amended to read:

Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 124.71 to 124.76, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed ~~50~~ 75 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached. In determining the amount of taxes due and payable in the calendar year, any amounts paid by the state to replace such taxes, whether paid in that calendar year or not, shall be included.

Sec. 8. [124A.029] [REFERENDUM AND DESEGREGATION REVENUE CONVERSION.]

Subdivision 1. [REVENUE CONVERSION.] Except as provided under subdivision 4, the referendum authority under section 124A.03 and the levy authority under section 275.125, subdivisions 6e and 6i, of a school district must be converted by the department according to this section.

Subd. 2. [ADJUSTMENT RATIO.] For assessment years 1991, 1992, and 1993, the commissioner of revenue must determine for each school district a ratio equal to:

(1) the net tax capacity for taxable property in the district determined by applying the property tax class rates for assessment year 1990 to the market values of taxable property for each assessment year, divided by

(2) the net tax capacity of the district for the assessment year.

Subd. 3. [RATE ADJUSTMENT.] The department shall adjust a school district's referendum authority for a referendum approved before July 1, 1991, excluding authority based on a dollar amount, and the levy authority under section 275.125, subdivisions 6e and 6i, by multiplying the sum of the rates authorized by a district under section 124A.03 and the rates in section 275.125, subdivisions 6e and 6i, by the ratio determined under subdivision 2 for the assessment year for which the revenue is attributable. The adjusted rates for assessment year 1993 shall apply to later years for which the revenue is authorized.

Subd. 4. [PER PUPIL REVENUE OPTION.] A district may, by school board resolution, request that the department convert the levy authority under section 275.125, subdivisions 6e and 6i, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1991, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1992. The department shall convert a district's revenue for fiscal year 1994 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 275.125, subdivisions 6e and 6i, for fiscal year 1993 by the district's 1992-1993 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, the authority expires July 1, 1997.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 1h, is amended to read:

Subd. 1h. [REFERENDUM EQUALIZATION AID.] (a) A district's referendum equalization aid equals the difference between its referendum equalization revenue and levy. *However, for fiscal year 1993, the aid shall be one-fourth of the difference; for fiscal year 1994, the aid shall be one-half of the difference; and for fiscal year 1995, the aid shall be three-fourths of the difference.*

~~(b) For fiscal year 1993, a district's referendum equalization aid is equal to one-third of the amount calculated in clause (a).~~

~~(c) For fiscal year 1994, a district's referendum equalization aid is equal to two-thirds of the amount calculated in clause (a).~~

~~(d) If a district's actual levy for referendum equalization revenue is less than its maximum levy limit, aid shall be proportionately reduced.~~

Sec. 10. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 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 shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year.* 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 revenue per actual pupil unit, the estimated ~~net tax capacity~~ *referendum tax rate as a percentage of market value* in the first year it is to be levied, and that the revenue 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, not to exceed five, 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 revenue proposed by (petition to) the board of School District No. be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year 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 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 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: "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 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 referendum to revoke or reduce the levy amount must 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. Revenue approved by the voters of the district pursuant to paragraph (a) must be 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 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.

(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. 11. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2a, is amended 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. 12. Minnesota Statutes 1990, section 124A.29, as amended by Laws 1991, chapter 265, article 1, section 25, is amended to read:

124A.29 [RESERVED REVENUE FOR STAFF DEVELOPMENT.]

Subdivision 1. [STAFF DEVELOPMENT AND PARENTAL INVOLVEMENT PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for ~~peer review under section 125.12 or 125.17 or staff development programs for, including outcome-based education, according to under section 126.70, subdivisions 1 and 2a. Staff development revenue may be used only for staff time for peer review or outcome-based education activities.~~ The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities ~~that implement outcome-based education.~~

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61.

Subd. 2. [CAREER TEACHER STAFF DEVELOPMENT.] Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units shall be reserved by a district operating a career teacher program according to sections 124C.27 to 124C.31. The revenue may be used only to provide staff development for the career teacher program.

Subd. 3. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in this section 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 parents and administrators. The advisory committee shall develop a staff development plan that includes related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in this section.

Subd. 4. [CONTENTS OF THE PLAN.] The plan may include:

- (1) procedures the district will use to analyze education needs;*
- (2) methods for integrating education needs with in-service and curricular efforts already in progress;*
- (3) education goals and the means to achieve the goals; and*
- (4) procedures for evaluating progress toward meeting education needs and goals.*

Subd. 5. [PERMITTED USES.] A school board may approve a plan to accomplish any of the following purposes:

- (1) foster readiness for learning;*
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs;*
- (3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;*
- (4) design and develop programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;*
- (5) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;*
- (6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers;*
- (7) provide teachers with opportunities to study advanced topics in the humanities, sciences, and arts, and to offer opportunities for teachers to engage in scholarly pursuits; and*
- (8) for programs to develop leadership skills, which may emphasize communication, interaction with parents and the community, evaluation, resource development, and creativity.*

Sec. 13. [APPROPRIATION REDUCTIONS.]

For fiscal year 1993, appropriations to the department of education in Laws 1991, chapter 265, and appropriations for any property tax aid or credit paid to school districts from the state's general fund pursuant to Minnesota Statutes, chapter 273, shall be reduced by a combined total of \$178,500,000 in a manner consistent with Minnesota Statutes, section 124.155, subdivision 2.

Sec. 14. [LEVY RECOGNITION DIFFERENCES.]

For each school district that levies under Minnesota Statutes, section 124A.03, the commissioner of education shall calculate the difference between:

- (1) the amount of the levy, under Minnesota Statutes, section 124A.03, that is recognized as revenue for fiscal year 1993 according to section 1; and*
- (2) the amount of the levy, under Minnesota Statutes, section 124A.03, that would have been recognized as revenue for fiscal year 1993 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.

Sec. 15. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 126.70, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 10 is effective retroactively to February 1, 1992, applies to any referenda conducted in 1992 and thereafter, and supersedes any enactment affecting school district referendum levies during the 1992 legislative session to the extent any enactment is to the contrary.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1990, section 123.39, subdivision 8d, is amended to read:

Subd. 8d. School districts may provide bus transportation along regular school bus routes when space is available for participants in *learning readiness* or early childhood family education programs if these services do not result in an increase in the district's expenditures for transportation. The costs allocated to these services, as determined by generally accepted accounting principles, shall be considered part of the authorized cost for regular transportation for the purposes of section 124.225.

Sec. 2. Minnesota Statutes 1990, section 123.78, is amended by adding a subdivision to read:

Subd. 1b. [REQUEST FOR TRANSPORTATION BY NONRESIDENT DISTRICTS.] (a) In lieu of the transportation required by subdivision 1a, upon the request of the parent or guardian of a school child attending a nonpublic school in a district other than the district in which the child resides, the school board of the district in which the school is located shall provide transportation within the district for a nonresident child who resides at least the same distance from a nonpublic school actually attended in the district as public school pupils are transported in the transporting district, whether or not there is a nonpublic school in the child's resident district, if the transportation is to a school maintaining grades or departments not maintained in the district of residence or if the attendance of the child at school can more safely, economically, or conveniently be provided for by such means. The request shall be in writing and submitted to the district in which the nonpublic school is located and the district of residence. The school board may limit the transportation to regular routes and attendance areas established by the board for the purposes of transportation. The state shall pay aid to the nonresident district under section 124.225 for transportation provided according to this paragraph.

(b) A school board may provide transportation for a nonresident school child attending a nonpublic school in the district, whether or not there is a nonpublic school within the child's resident district, if the transportation is to a school maintaining grades or departments not maintained in the resident district or if the attendance of the child at school can more safely, economically, or conveniently be provided for by such means. A school board may transport a school child within the resident district only with the approval of the resident district. A parent or guardian may appeal the refusal of the resident district to the commissioner of education according

to section 123.39, subdivision 6. The state shall not pay aid under section 124.225 to the nonresident district for transportation provided outside the nonresident district according to this paragraph.

(c) This subdivision does not apply to a school district located in a city of the first class or located entirely within the seven-county metropolitan area.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1990, section 120.17, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SPECIAL INSTRUCTION.] (a) Special instruction and services for handicapped children must be based on the assessment and individual education plan. The instruction and services may be provided by one or more of the following methods:

~~(a)~~ (1) connection with attending regular elementary and secondary school classes;

~~(b)~~ (2) establishment of special classes;

~~(c)~~ (3) at the home or bedside of the child;

~~(d)~~ (4) in other districts;

~~(e)~~ (5) instruction and services by special education cooperative centers established under this section, or in another member district of the cooperative center to which the resident district of the handicapped child belongs;

~~(f)~~ (6) in a state residential school or a school department of a state institution approved by the commissioner;

~~(g)~~ (7) in other states;

~~(h)~~ (8) by contracting with public, private or voluntary agencies;

~~(i)~~ (9) for children under age five and their families, programs and services established through collaborative efforts with other agencies;

~~(j)~~ (10) for children under age five and their families, programs in which handicapped children are served with nonhandicapped children; and

~~(k)~~ (11) any other method approved by the commissioner.

(b) Preference shall be given to providing special instruction and services to children under age three and their families in the residence of the child with the parent or primary caregiver, or both, present.

(c) The primary responsibility for the education of a handicapped child shall remain with the district of the child's residence regardless of which method of providing special instruction and services is used. The district of residence must inform the parents of the child about the methods of instruction that are available.

(d) Paragraphs (e) to (i) may be cited as the "blind persons' literacy rights and education act."

(e) The following definitions apply to paragraphs (f) to (i).

"Blind student" means an individual who is eligible for special educational services and who:

(1) has a visual acuity of 20/200 or less in the better eye with correcting lenses or has a limited field of vision such that the widest diameter subtends an angular distance of no greater than 20 degrees; or

(2) has a medically indicated expectation of visual deterioration.

"Braille" means the system of reading and writing through touch commonly known as standard English Braille.

"Individualized education plan" means a written statement developed for a student eligible for special education and services pursuant to this section and section 602(a)(20) of part A of the Individuals with Disabilities Education Act, 20 United States Code, section 1401(a).

(f) In developing an individualized education plan for each blind student the presumption must be that proficiency in Braille reading and writing is essential for the student to achieve satisfactory educational progress. The assessment required for each student must include a Braille skills inventory, including a statement of strengths and deficits. Braille instruction and use are not required by this paragraph if, in the course of developing the student's individualized education program, team members concur that the student's visual impairment does not affect reading and writing performance commensurate with ability. This paragraph does not require the exclusive use of Braille if other special education services are appropriate to the student's educational needs. The provision of other appropriate services does not preclude Braille use or instruction. Instruction in Braille reading and writing shall be available for each blind student for whom the multidisciplinary team has determined that reading and writing is appropriate.

(g) Instruction in Braille reading and writing must be sufficient to enable each blind student to communicate effectively and efficiently with the same level of proficiency expected of the student's peers of comparable ability and grade level.

(h) The student's individualized education plan must specify:

(1) the results obtained from the assessment required under paragraph (f);

(2) how Braille will be implemented as the primary mode for learning through integration with other classroom activities;

(3) the date on which Braille instruction will begin;

(4) the length of the period of instruction and the frequency and duration of each instructional session;

(5) the level of competency in Braille reading and writing to be achieved by the end of the period and the objective assessment measures to be used; and

(6) if a decision has been made under paragraph (f) that Braille instruction or use is not required for the student:

(i) a statement that the decision was reached after a review of pertinent literature describing the educational benefits of Braille instruction and use; and

(ii) a specification of the evidence used to determine that the student's ability to read and write effectively without Braille is not impaired.

(i) Instruction in Braille reading and writing is a service for the purpose

of special education and services under section 120.17.

(j) Paragraphs (e) to (i) shall not be construed to supersede any rights of a parent or guardian of a child with a disability under federal or state law.

Sec. 2. Minnesota Statutes 1990, section 120.17, subdivision 3a, is amended to read:

Subd. 3a. [SCHOOL DISTRICT OBLIGATIONS.] Every district shall ensure that:

(1) all ~~handicapped children~~ *students with disabilities* are provided the special instruction and services which are appropriate to their needs. The student's needs and the special education instruction and services to be provided shall be agreed upon through the development of an individual education plan. The plan shall address the student's need to develop skills to live and work as independently as possible within the community. By grade 9 or age 14, the plan shall address the student's needs for transition from secondary services to post-secondary education and training, employment, ~~and~~ *community participation, recreation, and leisure and home living. The plan must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded;*

(2) handicapped children under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) handicapped children and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment and educational placement of handicapped children;

(4) to the maximum extent appropriate, handicapped children, including those in public or private institutions or other care facilities, are educated with children who are not handicapped, and that special classes, separate schooling, or other removal of handicapped children from the regular educational environment occurs only when and to the extent that the nature or severity of the handicap is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(5) in accordance with recognized professional standards, testing and evaluation materials, and procedures utilized for the purposes of classification and placement of handicapped children are selected and administered so as not to be racially or culturally discriminatory; and

(6) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

Sec. 3. Minnesota Statutes 1991 Supplement, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (e) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) The commissioner shall establish a mediation process to assist parents, school districts, or other parties to resolve disputes arising out of the identification, assessment, or educational placement of handicapped children. The mediation process must be offered as an informal alternative to the due process hearing provided under clause (e), but must not be used to deny or postpone the opportunity of a parent or guardian to obtain a due process hearing.

(e) Parents, guardians, and the district shall have an opportunity to obtain an impartial due process hearing initiated and conducted by and in the school district responsible for assuring that an appropriate program is provided in accordance with state board rules, if the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education

or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(f) The decision of the hearing officer pursuant to clause (e) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (g).

The local decision shall:

- (1) be in writing;
- (2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;
- (3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;
- (4) state the amount and source of any additional district expenditure necessary to implement the decision; and
- (5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(g) Any local decision issued pursuant to clauses (e) and (f) may be appealed to the hearing review officer within 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district responsible for assuring that an appropriate program is provided in accordance with state board rules.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final independent decision based on an impartial review of the local decision and the entire record within ~~60~~ 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

- (1) be in writing;
- (2) include findings and conclusions; and
- (3) be based upon the standards set forth in subdivision 3a and in the

rules of the state board.

(h) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(i) The commissioner of education shall select an individual who has the qualifications enumerated in this paragraph to serve as the hearing review officer:

- (1) the individual must be knowledgeable and impartial;
 - (2) the individual must not have a personal interest in or specific involvement with the student who is a party to the hearing;
 - (3) the individual must not have been employed as an administrator by the district that is a party to the hearing;
 - (4) the individual must not have been involved in the selection of the administrators of the district that is a party to the hearing;
 - (5) the individual must not have a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;
 - (6) the individual must not have substantial involvement in the development of a state or local policy or procedures that are challenged in the appeal; and
 - (7) the individual is not a current employee or board member of a Minnesota public school district, education district, intermediate unit or regional education agency, the state department of education, the state board of education, or a parent advocacy organization or group.
- (j) In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(k) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(l) The child's school district of residence, a resident district, and providing district shall receive notice of and may be a party to any hearings or appeals under this subdivision.

Sec. 4. Minnesota Statutes 1991 Supplement, 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. Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(d) 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.

(e) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to make a tuition charge for less than the amount specified in clause (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 (d) for providing appropriate educational programs to pupils attending the applicable school.

(f) Notwithstanding the provisions of clauses (b) and (d), 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.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident elementary students and the actual number of Minnesota resident 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.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must 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.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section. *A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.*

Sec. 5. Minnesota Statutes 1990, section 120.17, subdivision 16, is amended to read:

Subd. 16. [COMMUNITY TRANSITION INTERAGENCY 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 a community transition interagency committee for ~~handicapped~~ *youth with disabilities*, beginning at grade 9 or age equivalent, and their families. Members of the committee shall consist of representatives from special education; vocational and regular education; community education; post-secondary education and training institutions; *adults with disabilities who have received transition services, if such adults are available*; parents of ~~handicapped~~ *youth with disabilities*; local business or industry; rehabilitation services; county social services; health agencies; and additional public or private adult service providers as appropriate. The committee shall elect a chair and shall meet regularly. The committee shall:

(1) identify current services, programs, and funding sources provided within the community for secondary and post-secondary aged ~~handicapped~~ *youth with disabilities* and their families;

(2) facilitate the development of multiagency teams to address present and future transition needs of individual students on their individual education plans;

(3) develop a community plan to include mission, goals, and objectives, and an implementation plan to assure that transition needs of ~~handicapped~~ *individuals with disabilities* are met;

(4) recommend changes or improvements in the community system of transition services;

(5) exchange agency information such as appropriate data, effectiveness studies, special projects, exemplary programs, and creative funding of programs; and

(6) *following procedures determined by the commissioner, prepare a yearly summary assessing the progress of transition services in the community and disseminate it, including follow-up of individuals with disabilities who were provided transition services to determine the outcomes. The summary must be disseminated to all adult services agencies involved in the planning and to the commissioner of education by ~~September~~ October 1 of each year.*

Sec. 6. Minnesota Statutes 1991 Supplement, section 120.181, is amended to read:

120.181 [TEMPORARY PLACEMENTS FOR CARE AND TREATMENT PLACEMENT OF NONHANDICAPPED PUPILS: EDUCATION AND TRANSPORTATION.]

The responsibility for providing instruction and transportation for a non-handicapped pupil who has a short-term or temporary physical or emotional illness or disability, as determined by the standards of the state board, and who is temporarily placed for care and treatment for that illness or disability, shall be determined ~~in the following manner:~~ *as provided in this section.*

(a) The school district of residence of the pupil shall be the district in which the pupil's parent or guardian resides or the district designated by the commissioner of education if neither parent nor guardian is living within the state.

(b) Prior to the placement of a pupil for care and treatment, the district of residence shall be notified and provided an opportunity to participate in the placement decision. When an immediate emergency placement is necessary and time does not permit resident district participation in the placement decision, the district in which the pupil is temporarily placed, if different from the district of residence, shall notify the district of residence of the emergency placement within 15 days of the placement.

(c) When a nonhandicapped pupil is temporarily placed for care and treatment in a day program and the pupil continues to live within the district of residence during the care and treatment, the district of residence shall provide instruction and necessary transportation for the pupil. The district may provide the instruction at a school within the district of residence, at the pupil's residence, or in the case of a placement outside of the resident district, in the district in which the day treatment program is located by paying tuition to that district. *The nonresident district may contract with a facility to provide instruction by licensed teachers.*

(d) When a nonhandicapped pupil is temporarily placed in a residential program for care and treatment, the district in which the pupil is placed shall provide instruction for the pupil and necessary transportation within that district while the pupil is receiving instruction, and in the case of a placement outside of the district of residence, the nonresident district shall bill the district of residence for the actual cost of providing the instruction for the regular school year and for summer school, excluding transportation costs. When a nonhandicapped pupil is temporarily placed in a residential program outside the district of residence, the administrator of the court placing the pupil shall send timely written notice of the placement to the district of residence. *The nonresident district may contract with a residential facility to provide instruction by licensed teachers.*

(e) The district of residence shall ~~receive general education aid for~~ *include the pupil in its resident count of pupil units and pay tuition and other instructional costs, excluding transportation costs, as provided in section 124.18* to the district providing the instruction. Transportation costs shall be paid by the district providing the transportation and the state shall pay transportation aid to that district. For purposes of computing state transportation aid, pupils governed by this subdivision shall be included in the handicapped transportation category.

Sec. 7. Minnesota Statutes 1991 Supplement, section 125.62, subdivision 6, is amended to read:

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~~ congressional methodology for needs determination.

A person who has actual living expenses in addition to those addressed by the ~~uniform~~ congressional 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.

Sec. 8. Minnesota Statutes 1990, section 128A.09, is amended by adding a subdivision to read:

Subd. 1a. [CONTRACTS; FEES; APPROPRIATION.] The state board may enter into agreements for the academies to provide respite care and supplemental educational instruction and services including assessments and counseling. The agreements may be made with public or private agencies or institutions, school districts, education cooperative service units, or counties. The board may authorize the academies to provide conferences, seminars, nondistrict and district requested technical assistance, and production of instructionally related materials.

Sec. 9. Minnesota Statutes 1990, section 128A.09, subdivision 2, is amended to read:

Subd. 2. [FEES; APPROPRIATION.] Income ~~from fees for conferences, seminars, nondistrict technical assistance, and production of instructionally-related materials~~ received under section 8 must be deposited in the state treasury and credited to a revolving fund of the academies. Money in the revolving fund for fees from conferences, seminars, ~~nondistrict~~ technical assistance, ~~and~~ production of instructionally-related materials and other services is annually appropriated to the academies to defray expenses of ~~the conferences, seminars, technical assistance, and production of materials~~ those services. Payment from the revolving fund for conferences and other fees may be made only according to vouchers authorized by the administrator of the academies.

Sec. 10. Minnesota Statutes 1991 Supplement, 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 year without charge to the school. The report of each audit shall be submitted to the White Earth reservation tribal council, the Pine Point Indian education committee, the commissioner of education, and the legislative reference library.

Sec. 11. Laws 1991, chapter 265, article 3, section 39, subdivision 16, is amended to read:

Subd. 16. [INDIAN TEACHER PREPARATION GRANTS.] For joint grants to assist Indian people to become teachers:

\$190,000 1992

\$190,000 1993

~~Up to~~ Initially \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

~~Up to~~ Initially \$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.

Money not used for students at one location may be transferred for use at another location.

Any unexpended balance remaining the first year does not cancel but is available in the second year.

Sec. 12. [LAND TRANSFER TO FARIBAULT SCHOOL DISTRICT.]

Subdivision 1. [CONVEYANCE PERMITTED.] (a) Notwithstanding Minnesota Statutes, chapters 94 and 103F, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

"All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof."

or

"All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof."

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. [CONSIDERATION.] The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties.

Subd. 3. [APPROPRIATION.] The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made, and may be used for capital improvements at the academies.

Subd. 4. [PURPOSE.] The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.

Sec. 13. [BASE ADJUSTMENT.]

Upon request of a school district that is eligible for and receives alternative

delivery revenue under Minnesota Statutes, section 124.322, the commissioner of education shall adjust the district's revenue base and revenue for fiscal years 1992 and 1993 to reflect any new service requirements imposed upon the district. The adjustments shall be made to the district's aid and levy. However, the adjustment may not result in a reduction in state aid to any other district.

Sec. 14. [APPROPRIATION.]

There is appropriated from the general fund to the department of education \$25,000 for fiscal year 1993 for a grant to independent school district No. 518, Worthington, for planning the construction of new residential facilities for the Lakeview program for students with disabilities. The grant must be matched with money from nonstate sources.

Sec. 15. [REPEALER.]

Minnesota Statutes 1990, sections 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; and 128A.024, subdivision 1; and Minnesota Statutes 1991 Supplement, section 126.071, subdivision 1, are repealed.

ARTICLE 4

EARLY CHILDHOOD, COMMUNITY, AND ADULT EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 124.2601, subdivision 6, is amended to read:

Subd. 6. [AID GUARANTEE.] Any adult basic education program that receives less state aid under ~~subdivision~~ subdivisions 3 and 7 than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

Sec. 2. Laws 1991, chapter 265, article 4, section 30, subdivision 9, is amended to read:

Subd. 9. [GED TESTS.] For payment of 60 percent of the costs of GED tests *but not more than \$20 for all of the tests for a student:*

\$180,000 1993

Sec. 3. Laws 1991, chapter 265, article 4, section 30, subdivision 11, is amended to read:

Subd. 11. [GED AND LEARN TO READ ON TV.] 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

The department may contract for these services.

~~Up to \$10,000 of this appropriation for each fiscal year is available to contract for these services.~~

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1990, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals the lesser of:

- (1) ~~\$130~~ \$125 times its actual pupil units for the school year; or
- (2) the difference between \$400 times the actual pupil units for the school year and the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year. ~~For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year is zero.~~

Sec. 2. Minnesota Statutes 1990, section 124.243, subdivision 6, is amended to read:

Subd. 6. [USES OF REVENUE.] Capital expenditure facilities revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to ~~equip, reequip,~~ improve, and repair school sites, *and* buildings, *and equip or reequip school buildings with permanent attached fixtures;*
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by hand-capped individuals;
- (7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123.36, subdivision 10;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;
- (14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and
- (15) to purchase or lease interactive telecommunications equipment.

Sec. 3. Minnesota Statutes 1990, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~\$65~~ \$60 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Sec. 4. Minnesota Statutes 1991 Supplement, section 124.84, subdivision 3, is amended to read:

Subd. 3. [LEVY AUTHORITY.] The district may levy up to ~~\$150,000 each year for two years~~ \$300,000 under this section, as approved by the commissioner. *The approved amount may be levied over five or fewer years.*

Sec. 5. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the required debt service levy of a district, *intermediate school district, or a joint powers district formed according to section 121.155 or 124.494* is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, *excluding obligations under section 124.2445*, of the district *for eligible projects according to subdivision 2*, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, minus

(2) the amount of ~~any surplus remaining in the debt service fund when the obligations and interest on them have been paid~~ *debt service excess for that school year calculated according to the procedure established by the commissioner.*

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] ~~To be eligible for debt service equalization revenue, the following conditions must be met~~ *The following portions of a district's debt service levy qualify for debt service equalization:*

(1) ~~the required debt service levy of a district must exceed the amount raised by a level of eight percent times the adjusted net tax capacity of the district~~ *debt service for repayment of principal and interest on bonds issued before July 2, 1992;*

(2) *debt service for bonds refinanced after July 1, 1990, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and*

(3) *debt service for bond issues approved bonds issued after July 1, 1990, the for construction project must projects that have received a positive review and comment according to section 121.15; if (3) the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, for new projects; and if (4) the bond schedule must be has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule. Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2, to qualify.*

Sec. 7. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 11h. [EXTRA CAPITAL EXPENDITURE LEVY FOR CERTAIN LEASE PURCHASES.] (a) Upon application to and approval by the commissioner in accordance with the procedures and limits in subdivision 11d, a district, as defined in this subdivision, may:

(1) purchase real property under an installment contract or may lease real property with an option to purchase under a lease purchase agreement by which installment contract or lease purchase agreement title is held by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

The obligation created by the installment contract or the lease purchase agreement may not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under any other statute. An election is not required in connection with the execution of the installment contract or the lease purchase agreement. The district may terminate the installment contract or lease purchase agreement at the end of any fiscal year during its term.

The proceeds of the levy authorized by this subdivision may not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(b) For the purposes of this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district described in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

Notwithstanding subdivision 11d, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to a levy authorized by this subdivision.

Sec. 8. Minnesota Statutes 1991 Supplement, section 373.42, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] A county facilities group consists of at least one representative from the county board, one representative from each city located within the county, one representative from each school district located within the county, up to three representatives of townships selected by the county board, and two other members selected by the county board. *For the purposes of this section, a school district is located within a county if the district administrative offices are located in the county.*

Sec. 9. Laws 1991, chapter 265, article 5, section 18, is amended to read:

Sec. 18. [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, No. 392, Le Center, and No. 2071, Lake Crystal-Wellcome Memorial, may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap 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.

Sec. 10. Laws 1991, chapter 265, article 5, section 23, is amended to read:

Sec. 23. [MAXIMUM EFFORT CAPITAL LOAN DEBT REDEMPTION EXCESS.]

(a) Notwithstanding Minnesota Statutes, section 124.431, subdivision 11, or any other law to the contrary, a school district having an outstanding capital loan that has an excess amount in the debt redemption fund as calculated according to Minnesota Statutes, section 124.431, subdivision 11, may apply to the commissioner for an adjustment to the amount of ~~reduce~~ the excess owed to the state. ~~The commissioner may reduce~~ The excess ~~that a district owes the state shall be reduced by up to \$200,000~~ if a district's capital loan is outstanding and if the commissioner determines that any of the following conditions apply:

(1) a district is likely to incur a substantial property tax delinquency that will adversely affect the district's ability to make its scheduled bond payments;

(2) a district's agreement with its bondholders or its taxpayers could be impaired; or

(3) the district's tax capacity per pupil is less than one-tenth of the

equalizing factor as defined in Minnesota Statutes, section 124A.02, subdivision 8.

(b) ~~The amount of the excess that may be forgiven may not exceed \$200,000 in a single year for any district.~~ *Notwithstanding any law to the contrary, the commissioner shall not reduce or require the reduction of any levy of the district as a result of the district's retention of any excess that would otherwise be paid to the state. The amount retained by the district may be used for cash flow purposes until the last year the district levies for debt service for outstanding district bonds when the debt service levy of the district shall be reduced by the excess retained by the district, plus interest, as a result of this section.*

Sec. 11. [HEALTH AND SAFETY.]

Notwithstanding other law, independent school district No. 280, Richfield, to pay its pre-1989 fire safety loan from the city of Richfield, may revise the health and safety part of the district's capital plan to include the principal and interest on the loan payment, now funded by the facilities part, with the result that the loan principal and interest will be paid off before July 1, 1994.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1, Minnesota Statutes 1991 Supplement, section 121.912, subdivision 6, is amended to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] A school district that ~~has reorganized~~ *is reorganizing* according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the *preexisting*, newly created, or enlarged district with the exception of the debt redemption fund. Fund transfers under this section may be made only during the year *before or the year following* the effective date of reorganization.

Sec. 2, Minnesota Statutes 1991 Supplement, section 121.915, is amended to read:

121.915 [REORGANIZATION OPERATING DEBT.]

The "reorganization operating debt" of a school district means the net negative undesignated fund balance in all school district funds, other than capital expenditure, building construction, debt redemption, trust and agency, and post-secondary vocational technical education funds, calculated in accordance with the uniform financial accounting and reporting standards for Minnesota school districts as of:

(1) June 30 of the fiscal year before the first year that a district receives revenue according to section 124.2725; or

(2) June 30 of the fiscal year before the effective date of reorganization according to section 122.22 ~~or~~, 122.23, *or sections 122.241 to 122.248.*

Sec. 3, Minnesota Statutes 1991 Supplement, section 122.22, subdivision 9, is amended to read:

Subd. 9. An order issued under subdivision 8, clause (b), shall contain the following:

(a) A statement that the district is dissolved unless the results of an

election held pursuant to subdivision 11 provide otherwise:

(b) A description by words or plat or both showing the disposition of territory in the district to be dissolved:

(c) The outstanding bonded debt, outstanding energy loans made according to section 216C.37 or sections 298.292 to 298.298, and the capital loan obligation of the district to be dissolved:

(d) A statement requiring the fulfillment of the requirements imposed by each adjoining district to which territory in the dissolving district is to be attached regarding the assumption of its outstanding preexisting bonded indebtedness by any territory from the dissolving district which is attached to it:

(e) An effective date for the order. The effective date shall be at least ~~three~~ two months after the date of the order, and shall be July 1 of an odd-numbered year *unless the school board and the exclusive representative of the teachers in each affected district agree to an effective date of July 1 of an even-numbered year. The agreement must be in writing and submitted to the commissioner of education;* and

(f) Other information the county board may desire to include.

The auditor shall within ten days from its issuance serve a copy of the order by mail upon the clerk of the district to be dissolved and upon the clerk of each district to which the order attaches any territory of the district to be dissolved and upon the auditor of each other county in which all or any part of the district to be dissolved or any district to which the order attaches territory lies, and upon the commissioner.

Sec. 4, Minnesota Statutes 1991 Supplement, section 122.23, subdivision 2, is amended to read:

Subd. 2. (a) Upon a resolution of a school board in the area proposed for consolidation or upon receipt of a petition therefor executed by 25 percent of the voters resident in the area proposed for consolidation or by 50 such voters, whichever is lesser, the county auditor of the county which contains the greatest land area of the proposed new district shall forthwith cause a plat to be prepared. The resolution or petition shall show the approximate area proposed for consolidation.

(b) The resolution or petition may propose the following:

(1) that the bonded debt of the component districts will be paid according to the levies previously made for that debt under chapter 475, as provided in subdivision 16a, or that the taxable property in the newly created district will be taxable for the payment of all or a portion of the bonded debt previously incurred by any component district as provided in subdivision 16b;

(2) that obligations for a capital loan or an energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding in a preexisting district as of the effective date of consolidation remain solely with the preexisting district that obtained the loan, or that all or a portion of the loan obligations will be assumed by the newly created or enlarged district and paid by the newly created or enlarged district on behalf of the preexisting district that obtained the loan;

(3) that referendum levies previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor

provision, be combined as provided in section 122.531, subdivision 2a or 2b, or that the referendum levies be discontinued:

(4) that the board of the newly created district consist of ~~seven~~ *the number of members determined by the component districts, which may be six or seven members elected according to subdivision 18, or existing school board members of the component districts, and a method to gradually reduce the membership to six or seven; or*

(5) that separate election districts from which school board members will be elected, the boundaries of these election districts, and the initial term of the member elected from each of these election districts be established. If a county auditor receives more than one request for a plat and the requests involve parts of identical districts, the auditor shall forthwith prepare a plat which in the auditor's opinion best serves the educational interests of the inhabitants of the districts or areas affected.

(c) The plat shall show:

(1) Boundaries of the proposed district, as determined by the county auditor, and present district boundaries,

(2) The location of school buildings in the area proposed as a new district and the location of school buildings in adjoining districts,

(3) The boundaries of any proposed separate election districts, and

(4) Other pertinent information as determined by the county auditor.

Sec. 5. Minnesota Statutes 1990, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date shall be at least ~~three~~ *two* months after the day when the date must be set, and shall be July 1 of an odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 6. Minnesota Statutes 1990, section 122.241, subdivision 3, is amended to read:

Subd. 3. [COMBINATION REQUIREMENTS.] Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 400 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of education, of enrollment at least at that level for five years;

(2) at least two districts; *if either:*

(i) both of ~~which~~ *the districts* qualify for *secondary* sparsity revenue under

section 124A.22, subdivision 6, and have an average isolation index over 23; or

(ii) *the combined district qualifies for secondary sparsity revenue; or*

(3) *at least three districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district; or*

(4) *at least two districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district if either district is located on the border of the state.*

A combination under clause (3) *or* (4) must be approved by the state board of education. The state board shall disapprove a combination under clause (3) *or* (4) if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

Sec. 7. Minnesota Statutes 1991 Supplement, section 122.242, subdivision 9, is amended to read:

Subd. 9. [FINANCES.] The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies and referendum levies;

(4) whether the cooperating or combined district will levy for reorganization operating debt according to section 121.915, clause (1); and

(5) ~~two-, five-, and ten-year~~ *two- and five-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. 8. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 2d. [CONSOLIDATION; REFERENDUM LEVY COMPUTATION.] The levy part of the referendum revenue authorized under subdivision 2a or 2b may be levied against all taxable property in the newly created district as provided in this subdivision. If the entire amount of the referendum levy in each of the component districts had been levied against the net tax capacity of all taxable property in the district, the referendum levy for the newly created district must be levied against the net tax capacity of all taxable property in the newly created district. If the entire amount of the referendum levy in each of the component districts had been levied against the market value of all taxable property in the district, the referendum levy for the newly created district must be levied against the market value of all taxable property in the newly created district. If a part of the referendum levy in one or more of the component districts was levied against the net

tax capacity of all taxable property in the district and a part of the referendum levy in one or more of the component districts had been levied against the market value of all taxable property in the district, and the plan for consolidation so provides, or the plan for consolidation makes no provision concerning referendum levies, the entire amount of the referendum levy for the newly created district must be levied against the net tax capacity of all taxable property in the newly created district. Alternatively, if a portion of the referendum levy in one or more of the component districts had been levied against the net tax capacity of all taxable property in the district and a portion of the referendum levy in one or more of the component districts was levied against the market value of all taxable property in the district, and the plan for consolidation so provides, the entire amount of the referendum levy for the newly created district must be levied against the market value of all taxable property in the newly created district.

Sec. 9. Minnesota Statutes 1990, section 122.531, is amended by adding a subdivision to read:

Subd. 9. [LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.] The school board of a newly created or enlarged district, according to section 122.22 or 122.23, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

Sec. 10. Minnesota Statutes 1990, section 122.532, subdivision 2, is amended to read:

Subd. 2. As of the effective date of any consolidation or the dissolution of any district and its attachment to one or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district ~~in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment~~ according to subdivision 3.

Sec. 11. [122.911] [DISTRICTS MAY BE EDUCATION DISTRICTS.]

The boards of intermediate district Nos. 287, 916, and 917, acting individually, and the boards of independent school district No. 625, Saint Paul, and special school district No. 1, Minneapolis, acting jointly, may petition the state board to exercise some or all of the powers of an education district under sections 122.91 to 122.95 within the territory of the petitioning district or districts. The commissioner shall make a recommendation on the disposition of the petition to the state board.

Sec. 12. Minnesota Statutes 1991 Supplement, section 124.2721, subdivision 5a, is amended to read:

Subd. 5a. [USES OF REVENUE.] For fiscal year 1994 and thereafter, education district revenue shall be used ~~only for one or more of the following purposes: (1) to provide in conjunction with at least one other school district or to 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; only for one or more of the following services:~~

- ~~(2)~~ (1) provide educational programs offered by an education district;
- ~~(3)~~ (2) provide additional revenue for early childhood family education programs, head start programs, or other educational programs for children who have not entered kindergarten;
- ~~(4)~~ (3) provide additional revenue for early childhood health and developmental screening or other health services for children from birth through 12th grade;
- ~~(5)~~ (4) 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)~~ (5) 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)~~ (6) 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)~~ (7) provide additional revenue for education programs for adults to earn high school diplomas or equivalency certificates;
- ~~(10)~~ (8) collaborate with local health and human service agencies to provide comprehensive and coordinated services for children and families;
or
- ~~(11)~~ (9) 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 in conjunction with at least one other school district~~ 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. 13. Minnesota Statutes 1990, section 124.2725, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION REVENUE.] Cooperation and combination revenue equals, for each resident and nonresident pupil receiving instruction in a cooperating or combined district, \$100 \$90 times the actual pupil units. A district may not receive revenue under this section if it levies under section 275.125, subdivision 8e.

Sec. 14. Minnesota Statutes 1990, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

“Public employer” means:

(1) a school district; and

(2) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 275.125.

“Teacher” means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

State aid shall also not be reduced if a school board proceeding under section 122.22 or 122.23 and the exclusive representative of the teachers both sign a collective bargaining agreement on or before March 15 of an even-numbered calendar year.

(c) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(d) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 15. Minnesota Statutes 1990, section 136D.22, subdivision 1, is amended to read:

Subdivision 1. [BOARD.] The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and

desirable provisions. ~~Each member of the board shall be a school board member of a school district that is a party to the agreement.~~

Sec. 16. Minnesota Statutes 1991 Supplement, section 136D.72, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The district shall be operated by a school board 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. 17. Minnesota Statutes 1990, section 136D.82, subdivision 1, is amended to read:

Subdivision 1. [BOARD.] The agreement shall provide for a joint school board representing the parties to the agreement. The agreement shall specify the name of the board, the number and manner of election or appointment of its members, their terms and qualifications, and other necessary and desirable provisions. ~~Each member of the board shall be a school board member of a school district that is a party to the agreement.~~

Sec. 18. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 8f. [SPECIAL COOPERATION LEVY.] (a) This subdivision does not apply to a district that is a member of intermediate school district No. 287, 916, or 917, or to a district with fewer than 30,000 actual pupil units. A school district may levy each year under this subdivision if it:

(1) provides special education services to at least 3,200 resident and 100 nonresident pupils;

(2) develops model curricula for use by nonresident special education pupils;

(3) consults with other school districts on developing individual education plans for nonresident special education pupils on a regular or emergency basis;

(4) provides secondary vocational programs to resident and nonresident at-risk youths;

(5) provides pregnant teen and teen parent programs to resident and nonresident pupils; and

(6) provides staff development programs and material for teachers in other districts.

(b) The levy may not exceed the result of the following computation:

(1) divide the amount of levy certified for taxes payable in 1989 by intermediate school districts No. 287, 916, and 917 by the actual pupil units in each district for fiscal year 1990;

(2) add the amounts computed in clause (1) for each intermediate school district and divide by 3; and

(3) multiply the amount in clause (2) by the actual pupil units in the school district for that school year.

Sec. 19. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 11g, is amended to read:

Subd. 11g. [EXTRA CAPITAL EXPENDITURE LEVY FOR INTERACTIVE TELEVISION.] A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, and ten may levy up to the greater of .5 percent of the adjusted net tax capacity of the district or \$25,000 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. 20. [EARLY RECOGNITION OF SPECIAL COOPERATION LEVY.]

A school district may recognize the proceeds of the levy for special cooperation for fiscal year 1994 in fiscal year 1993.

Sec. 21. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 124.2721, subdivision 5b, and 124.2727, subdivisions 1, 2, 3, 4, 5, and 6, are repealed. Laws 1991, chapter 265, article 6, section 64, is repealed the day following final enactment.

ARTICLE 7

OTHER EDUCATION PROGRAMS

Section 1. Minnesota Statutes 1991 Supplement, 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 at least 40 to 30 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 2. Minnesota Statutes 1990, section 124.6472, is amended by adding a subdivision to read:

Subd. 3. [FEDERAL START-UP FUNDS.] *The commissioner of education shall apply for, administer, and expand available federal funds for the start-up costs for the school breakfast program.*

Sec. 3. Minnesota Statutes 1990, section 124.6472, is amended by adding a subdivision to read:

Subd. 4. [BREAKFAST REIMBURSEMENT.] *Each school year, a school district in which no more than 40 percent of the school lunches served during the second preceding school year were served free or at a reduced price, but which is required to offer a school breakfast program under subdivision 1, shall be paid by the state in the amount of 17.5 cents for each free or reduced price breakfast served to students in the district, to be appropriated from the early learning and violence prevention account of the special revenue fund.*

Sec. 4. [124A.697.] [TITLE.]

Sections 4 to 8 may be cited as the "Minnesota education finance act of 1992."

Sec. 5. [124A.70] [BASIC INSTRUCTIONAL AID.]

Subdivision 1. [BASIC OUTCOMES.] Basic outcomes are defined as learner outcomes that must be achieved as a requirement for graduation, specified in rule by the state board of education. Basic outcomes are those outcomes that have standards of achievement determined by the state board.

Subd. 2. [AID AMOUNT.] Basic instructional aid is equal to the aid allowance times the number of pupil units for the school year. The aid allowance for fiscal year 2000 and thereafter is zero.

Subd. 3. [SPECIAL NEED AID.] Each district shall receive special need aid equal to zero times the number of actual pupil units for the school year times the district's special need index.

Subd. 4. [COST DIFFERENTIAL AID.] Each district shall receive aid equal to zero times the number of actual pupil units for the school year times its cost differential index. This aid is only available if the district has implemented a career teacher program.

Subd. 5. [AID USES.] Aid received under this section may only be used to deliver instructional services needed to assure that all pupils in the district achieve basic outcomes through the following uses:

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery or provide academic instructional support services;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) tuition payments to other service providers for direct instruction or instructional materials; and

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction.

Sec. 6. [124A.71] [ELECTIVE INSTRUCTIONAL REVENUE.]

Subdivision 1. [ELECTIVE OUTCOMES.] Elective outcomes are defined as learner outcomes that may be offered to students that are not defined as basic outcomes. The standards of achievement of elective outcomes are determined by the local school board.

Subd. 2. [REVENUE.] Elective instructional revenue is equal to the elective instructional revenue allowance times the number of pupil units for the school year. The revenue allowance for fiscal year 2000 and thereafter is zero.

Subd. 3. [LEVY.] Elective instructional levy is equal to elective instructional revenue times the lesser of one or the ratio of:

(1) net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by

(2) the equalizing factor.

Subd. 4. [AID.] Elective instructional aid is equal to elective instructional revenue minus elective instructional levy. If a district levies less than the authorized amount, the aid shall be reduced proportionately.

Subd. 5. [REVENUE USE.] Elective instructional revenue may only be used for the following purposes:

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) tuition payments to other service providers for direct instruction or instructional materials;

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction;

(5) instructional support services including staff development, curriculum development, and other instructional support services;

(6) pupil support services including health, counseling, and psychological services;

(7) administrative costs that are not to exceed five percent of the operating budget for the year; and

(8) school district facility operations and maintenance.

Sec. 7. [124A.72] [LOCAL DISCRETIONARY REVENUE.]

Subdivision 1. [LOCAL DISCRETIONARY REVENUE.] *Local discretionary revenue is available for districts to implement programs to offer outcomes or to cover other district operating expenditures not provided according to sections 4 and 5.*

Subd. 2. [REVENUE.] *A district's local discretionary revenue is equal to the amount authorized according to section 124A.03. Revenue may not exceed zero times the actual pupil units for the year the revenue is attributable.*

Subd. 3. [LEVY.] *Local discretionary levy is equal to local discretionary revenue times the lesser of one or the ratio of:*

(1) net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by

(2) the equalizing factor.

Subd. 4. [AID.] *Local discretionary aid is equal to local discretionary revenue minus local discretionary levy. If a district levies less than the authorized amount, the aid shall be reduced proportionately.*

Sec. 8. [124A.73] [EDUCATION TRUST FUND.]

Subdivision 1. [CREATION.] *The commissioner shall deposit to the credit of the education trust fund all money available to the credit of the trust. The commissioner shall maintain the trust as a separate fund to be used only to pay money as provided by law to school districts or to repay advances made from the general fund, as provided under subdivision 4.*

Subd. 2. [APPROPRIATION.] *The money to be paid by law from the education trust fund 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 deposited in the trust fund and other

law; and

(2) the payments authorized by law to be made out of the trust.

(b) If the estimated payments exceed the estimated receipts of the trust fund, the appropriations from the trust to each program are proportionately reduced, unless otherwise provided by law.

Subd. 4. [GENERAL FUND ADVANCE.] If the money in the trust fund 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 trust fund necessary to make the payments. On or before the close of the biennium, the trust shall repay the advances with interest, calculated at the rate of earnings on invested treasurer's cash, to the general fund.

Sec. 9. [126.239] [ADVANCED PLACEMENT PROGRAMS.]

Subdivision 1. [SUMMER INSTITUTES FOR TEACHERS.] A secondary teacher assigned by a school district to teach an advanced placement course may participate in summer training institutes offered by the college board. The state shall pay a portion of tuition, room, and board for attending a one-week summer institute for teachers. The commissioner of education shall determine application procedures and deadlines, and select teachers to participate in the state program. The procedures determined by the commissioner shall, to the extent possible, ensure that advanced placement courses become available in all parts of the state and that a variety of course offerings are available in school districts. This subdivision does not prevent teacher participation in summer institutes offered by the college board when tuition is paid by a source other than the state.

Subd. 2. [SUPPORT PROGRAMS.] The commissioner shall provide support programs during the school year for teachers who attended summer institutes the previous summer and teachers who have experience in teaching advanced placement courses. The support programs shall be designed to provide teachers with opportunities to share instructional ideas with summer institute instructors and the other teachers. The state shall pay the costs of participating in the support programs, including substitute teachers, if necessary.

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement examinations for pupils in public and nonpublic schools whose circumstances make state payment advisable. The state board of education shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the state board. The state board may also determine the circumstances under which the fee is subsidized, in whole or in part. The state board shall determine procedures for state payments of fees.

Subd. 4. [INFORMATION.] The commissioner shall submit the following information to the education committees of the legislature each year by January 1:

(1) the number of pupils enrolled in advanced placement courses in each school district;

(2) the number of teachers in each district attending summer institutes offered by the college board;

(3) the number of teachers in each district participating in support

programs:

- (4) recent trends in the field of advanced placement;
- (5) expenditures for each category in this section; and
- (6) other recommendations for the state program.

Sec. 10. [295.45] [GENERAL GROSS EARNINGS TAX ON CORPORATIONS, PARTNERSHIPS, OTHER ORGANIZATIONS.]

Subdivision 1. [IMPOSITION.] There is imposed on every corporation, partnership, association, and other organization a tax of zero percent on its gross earnings derived from operations within this state.

Subd. 2. [RETURNS.] Each entity subject to the tax imposed under this section must file a return with the commissioner of revenue, in the form prescribed by the commissioner, reporting its gross earnings derived from operations within the state during the preceding calendar year, and make payment of the tax with it. The return and payment of the tax due must be submitted by March 1 each year.

Subd. 3. [EXCEPTION.] Entities that are exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1991, are exempt from the tax imposed under this section.

Subd. 4. [ENFORCEMENT; RULES.] The commissioner of revenue shall enforce this section and may make all rules necessary for its enforcement. The provisions of chapter 294 apply to the tax imposed under this section.

Subd. 5. [DEPOSIT OF RECEIPTS.] The proceeds of the tax imposed under this section shall be deposited in the education trust fund.

Sec. 11. Laws 1991, chapter 265, article 8, section 14, is amended to read:

Sec. 14. [NONOPERATING FUND TRANSFERS.]

~~On~~ By June 30, 1992, and by June 30, 1993, a school district may permanently transfer money from the capital expenditure ~~fund~~ facilities or equipment accounts 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. A transfer may not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992, or as of June 30, 1993. No levies and no state aids shall be reduced as a result of a transfer. Each district transferring money ~~according to this section~~ from the capital expenditure facilities or equipment accounts shall report to the commissioner of education a ~~report of~~ on each transfer. A district may not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if the district retired its bonded indebtedness during fiscal year 1992 or 1993 or the district's 1991 payable 1992 or 1992 payable 1993 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3. 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. 12. [DEPARTMENT STUDY.]

Subdivision 1. [WORK WITH DISTRICTS.] The department of education shall work with school districts to determine the required educational services and costs of the services needed to establish the allowances in sections 5 to 8. The department may establish a representative sample of districts to include in the research. The department shall evaluate the inclusion of revenue provided under Minnesota Statutes, sections 124.311, 124.32, 124.332, 124.573, and 124.574, in the allowance. The department shall report to the education committees of the legislature on the progress of the study on February 1 of each year.

Subd. 2. [INDEX.] The department shall evaluate and develop a cost differential index for each school district. The index shall distinguish the prices and costs of resources needed to provide instructional services over which a local board may exercise discretion from those prices and costs of resources over which the district cannot exercise discretion.

Subd. 3. [ANOTHER INDEX.] The department shall evaluate and develop a special need index for each school district. The department may consider the number of children in the district that are eligible for aid to families with dependent children or for free and reduced lunches and any other indicators determined to significantly affect the ability of a child to achieve adopted outcomes.

Sec. 13. [COMPLEMENT.]

The complement of the department of education is increased by .5 for fiscal year 1993 for coordinating the advanced placement program.

Sec. 14. [OPERATING DEBT LEVY FOR LAKE SUPERIOR SCHOOL DISTRICT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] On July 1, 1992, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1992.

Subd. 2. [LEVY.] For taxes payable in each of the years 1993 through 1997, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1992. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Subd. 3. [NO LOCAL APPROVAL.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval.

Sec. 15. [NETT LAKE: APPROPRIATION CARRYOVER.]

The appropriations for grants to Nett Lake for unemployment compensation payments and insurance premiums contained in Law's 1991, chapter 265, article 8, section 19, subdivision 14, do not cancel and the balances are available in fiscal year 1993.

Sec. 16. [APPROPRIATION; SCIENCE AND MATH GRANT.]

\$150,000 for fiscal year 1993 is appropriated from the general fund to the commissioner of education to go toward matching the amount of a grant from the National Science Foundation. The grant is for a systemic initiative in science and mathematics education. The appropriation is contingent on receiving the grant.

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. [ADVANCED PLACEMENT PROGRAM.] For the state advanced placement program, including summer institutes, support programs, and examination fee subsidies:

\$200,000 1993

Sec. 18. [APPROPRIATION.]

There is appropriated from the general fund to the department of education \$20,000 for fiscal year 1993 to continue the programming of Laws 1990, chapter 562, article 7, section 24, subdivision 3.

Sec. 19. [APPROPRIATION.]

There is appropriated from the general fund to the department of education \$25,000 for fiscal year 1993 for operating expenses of the Minnesota education in agriculture leadership council.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, sections 124A.02, subdivision 24; 124A.23, subdivisions 2 and 3; and Minnesota Statutes 1991 Supplement, sections 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; and 124A.23, subdivisions 1, 4, and 5, are repealed effective July 1, 2000; Laws 1991, chapter 265, article 7, section 35, is repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 and 2 are effective September 1, 1993. Section 10 is effective for revenues earned after December 31, 1999. Sections 4 to 8 are effective for revenue for fiscal year 2001.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 121.11, subdivision 7, is amended to read:

Subd. 7. [GENERAL SUPERVISION OVER EDUCATIONAL AGENCIES.] The state board of education shall adopt goals for and exercise general supervision over public schools and public educational agencies in the state, classify and standardize public elementary and secondary schools, and prepare for them outlines and suggested courses of study. The board shall develop a plan to attain the adopted goals. At the board's request, the commissioner may assign department of education staff to assist the board, *at the central office or at regional centers*, in attaining its goals. The commissioner shall explain to the board in writing any reason for refusing or delaying a request for staff assistance. The board shall establish rules relating to examinations, reports, acceptances of schools, courses of study, and other proceedings in connection with elementary and secondary schools

applying for special state aid. The state board may recognize educational accrediting agencies for the sole purposes of sections 120.101, 120.102, and 120.103.

Sec. 2. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 9. [FINANCIAL SERVICES.] Regional management information centers may provide financial management information services to cities, counties, towns, or other governmental units at mutually negotiated prices.

Sec. 3. Minnesota Statutes 1990, section 123.58, subdivision 3, is amended to read:

Subd. 3. [PURPOSE OF ECSU.] The primary purposes of designation as an ECSU shall be to perform educational planning on a regional basis and to assist in meeting specific educational needs of children in participating school districts which could be better provided by an ECSU than by the districts themselves. The ECSU shall provide those educational programs and services which are determined, pursuant to subdivision 8, to be priority needs of the particular region and shall assist in meeting special needs which arise from fundamental constraints upon individual school districts. Each ECSU shall also serve as a regional center for the department of education. An ECSU must make space available to the department for this purpose. Employees of the department and of the ECSUs shall remain employees of their appointing authority retaining all their employment rights, except that employees of the department may be loaned to and relocated at an ECSU and an employee of an ECSU may be loaned to and relocated at the department, either at the central office or at any regional center.

Sec. 4. Minnesota Statutes 1990, section 123.58, is amended by adding a subdivision to read:

Subd. 12. [SERVICES.] Educational cooperative service units may provide administrative, purchasing, and data processing services to cities, counties, towns, or other governmental units at mutually negotiated prices.

Sec. 5. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least the number of days required in subdivision 1b, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required

minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 1b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12. *Days devoted to parent-teacher conferences, teachers' workshops, or other staff development days are not subject to state board of education rules requiring a minimum number of instructional hours per day.*

Sec. 6. Minnesota Statutes 1990, section 124.19, subdivision 5, is amended to read:

Subd. 5. [SCHEDULE ADJUSTMENTS.] (a) It is the intention of the legislature to encourage efficient and effective use of staff and facilities by school districts. School districts are encouraged to consider both cost and energy saving measures.

(b) Notwithstanding the provisions of subdivision 1 or 4, any district operating a program pursuant to sections 120.59 to 120.67 or 124C.27 to 124C.31, or operating a commissioner-designated area learning center program under section 124C.49, or that otherwise receives the approval of the commissioner to operate its instructional program to avoid an aid reduction in any year, may adjust the annual school schedule ~~for that program~~ throughout the calendar year so long as the number of instructional hours in the year is not less than the number of instructional hours per day specified in the rules of the state board multiplied by the minimum number of instructional days required by subdivision 1. *The commissioner may not approve a request if a result of approval is to increase expenditures for transportation according to section 124.225 or 275.125, subdivision 5, 5a, 5b, 5c, 5e, 5f, 5g, or 5h, for that fiscal year or any future fiscal year.*

Sec. 7. Minnesota Statutes 1991 Supplement, section 124.646, subdivision 4, is amended to read:

Subd. 4. [SCHOOL FOOD SERVICE FUND.] (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each school district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program, including the costs attributable to the superintendent and the financial manager must be charged to the general fund.

(d) Capital expenditures for the purchase of food service equipment must be made from the capital fund and not the food service fund, unless two conditions apply:

(1) the unreserved balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased; and

(2) the department of education has approved the purchase of the equipment.

(e) If the two conditions set out in paragraph (d) apply, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. *However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company.*

Sec. 8. Minnesota Statutes 1990, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years. *Notwithstanding section 121.912, a district may transfer from the general fund to the capital expenditure fund the amounts saved in energy and operation costs as a result of guaranteed energy savings contracts.*

Sec. 9. Minnesota Statutes 1990, section 124C.61, is amended to read:

124C.61 [PARENTAL INVOLVEMENT PROGRAMS.]

Subdivision 1. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas; and

(4) provide creative learning experiences for parents or guardians and their school-age children, *including involvement from parents or guardians of color.*

Subd. 2. [PLAN CONTENTS.] Model plans for a parental involvement program must include at least the following:

(1) program goals;

(2) means for achieving program goals;

(3) methods for informing parents or guardians, in a timely way, about the program;

(4) strategies for ensuring the full participation of parents or guardians, including those parents or guardians who lack literacy skills or whose native language is not English, *including involvement from parents or guardians of color*;

(5) procedures for coordinating the program with kindergarten through grade 12 curriculum, with parental involvement programs currently available in the community, and with other education facilities located in the community;

(6) strategies for training teachers and other school staff to work effectively with parents and guardians;

(7) procedures for parents or guardians and educators to evaluate and report progress toward program goals; and

(8) a mechanism for convening a local community advisory committee composed primarily of parents or guardians to advise a district on implementing a parental involvement program.

Subd. 3. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

(1) educational opportunities for families that enhance children's learning development;

(2) educational programs for parents or guardians on families' educational responsibilities and resources;

(3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;

(4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;

(5) technical assistance, including training to design and carry out family involvement programs;

(6) parent resource centers;

(7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;

(8) reports to parents on children's progress;

(9) use of parents as classroom volunteers, tutors, and aides; ~~or~~

(10) soliciting parents' suggestions in planning, developing, and implementing school programs; *and*

(11) *educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive.*

Sec. 10. [124C.70] [COUNSELOR OR SOCIAL WORKER PROGRAMS AT THE ELEMENTARY SCHOOL LEVEL.]

Subdivision 1. [MODEL SITES.] The state board of education, after consultation with the commissioner of human services, may designate up to ten elementary schools as model sites for locally administered counselor

and social worker programs offered at the elementary school level as a collaborative program between a school district and the appropriate city or county social service agencies. The social service agencies must provide at least 50 percent of the funding for counselors and social workers employed in these programs. Counselors and social workers employed in these programs are not required to hold licenses from the board of teaching. The commissioner of education shall designate procedures to apply for designation as a model site.

Subd. 2. [ASSISTANCE; REPORT.] The state departments of education and human services shall provide assistance to any school districts that desire to establish these collaborative programs. The commissioners of education and human services shall report to the education committees of the house of representatives and the senate during the 1995 session on the status of these programs and on any recommendations they may have about them.

Sec. 11. [126.116] [NO MANDATES WITHOUT MONEY.]

A school district is not required to comply with a state mandate, as defined in section 3.881, if the mandate affects the daily operation of schools, the authority of school boards to establish locally developed education policies, changes in the school district's curriculum, or other changes in the school district's spending priorities until the additional revenue needed to pay for the mandate is identified.

Sec. 12. [136C.51] [ESTABLISHMENT; PURPOSE.]

(a) An ongoing workplace literacy resource center and companion workplace literacy skills enhancement program is established through Northeast Metro technical college, customized training division, and the related training department in partnership with the Minnesota teamsters service bureau.

(b) The resource center must act as a cataloguing, evaluating, and informational agency for Minnesota and neighboring states or entities that would request information on specific workplace skills enhancement curricula, available services through public and private agencies, and methods of delivery and application techniques.

Sec. 13. [136C.52] [PILOT PROJECT.]

(a) The workplace literacy center must establish a pilot project in conjunction with organizations with clients in need of the intended services of the workplace literacy program. The following identified entities may serve as sources of potential clients: (1) Minnesota teamsters locals; (2) Minnesota AFL-CIO locals; (3) St. Paul Trades and Labor Assembly; (4) Minnesota Council on Quality; (5) Twin Cities Area Labor Management Council; (6) Minneapolis Urban League; (7) St. Paul Urban League; (8) Twin Cities Asian community; (9) Twin Cities Hispanic community; (10) Twin Cities Native American community; (11) various dislocated worker programs; and (12) other similar entities.

The workplace literacy program must serve a diverse cultural group on a metro-wide basis while establishing a model that can be duplicated elsewhere if the pilot project is proven to be successful.

(b) The pilot project must have the elements listed in this paragraph, among others: (1) formal classroom workplace literacy training; (2) functional literacy training; (3) workplace skills enhancement; (4) prevocational training and upgrading; (5) assessment and evaluation; (6) career exploration; and (7) preapprenticeship counseling.

(c) Training must include the subject matter areas listed in this paragraph, among others:

(1) workplace communication skills including fundamental English as a second language training, verbal communications technical terminology, functional reading skills, technical reading skills, basic mathematics skills, technical mathematics skills, basic written communication, technical writing skills, and basic computer skills;

(2) principles of quality and productivity;

(3) labor management studies;

(4) principles of workplace-related economics;

(5) basic structure of American business systems;

(6) personal psychology for life and work;

(7) prevocational training orientation to study skills;

(8) preapprenticeship orientation;

(9) career exploration and skills assessment; and

(10) basic skills assessment and counseling.

Sec. 14. Minnesota Statutes 1990, section 136C.65, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT.] When an independent school district becomes a member of the joint vocational technical district, each nonlicensed employee primarily employed in a technical college who is transferred to the joint vocational technical district shall be assigned to and become an employee of the joint vocational technical district without further employment rights in the member district, other than, for two years from the date of assignment to the joint vocational technical district, the right to exercise, in the member district, job seniority promotion and job seniority layoff provisions of the contract in effect at the time of that employee's assignment to the joint vocational technical district. This reassignment of employment rights is not a leaving of employment for payment under section 465.72 or under a policy or contract based on that section. *An employee may elect to remain an employee of the member district through exercising job seniority layoff provisions of the contract at the time of assignment to a joint vocational technical district. Any employee displaced by a senior employee under this subdivision shall have the right to fill a vacant position in the joint vocational technical district or the member school district.*

Sec. 15. [179A.142] [TEACHER NEGOTIATION PROCEDURES.]

Subdivision 1. [DEFINITIONS.] *(a) The following definitions apply to this section.*

(b) "Teachers" means all the teachers in the state who are members of a unit, according to this chapter, and who are employed by a school district or a public employer other than a school district that (i) negotiates a contract under this chapter with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or chapter 136D or 268A, or section 275.125.

(c) "Union" means the Minnesota education association and the Minnesota federation of teachers. Both organizations shall be treated as a single

organization only for the purposes of this section.

(d) "Representative" means a person selected by the union to meet and negotiate with the employer on behalf of the teachers, only according to this section.

(e) "Compensation" means salary and fringe benefits except retirement contributions or benefits other than employer payment of, or contributions to, premiums for group insurance coverage of retired employees or severance pay.

Subd. 2. [COMPENSATION INCREASE.] *The commissioner of employee relations or the commissioner's representative shall negotiate with a representative of the union increases in compensation for teachers. The increase shall constitute an upper limit on compensation for an employer of teachers when it subsequently negotiates a collective bargaining agreement under this chapter. The increase shall be, or shall be capable of being converted to, a total dollar amount applicable to the local bargaining unit. The increase shall not be determinative of the salary schedule or other compensation. The increase may vary by region or common characteristics of the employers.*

Subd. 3. [FACTORS.] *(a) In all negotiations, the primary factors in determining the increase shall be the increase in general education revenue, as set forth in section 124A.22, and the effect of the increase on class sizes, curricula, and educational programs and services available to the children.*

(b) The following factors shall be taken into consideration:

(1) recent increases in teacher compensation for each unit;

(2) the financial condition of an employer;

(3) significant changes in categorical revenue to the extent that the general fund of the employer would be adversely affected;

(4) whether the enrollment is increasing, decreasing, or remaining stable;

(5) the current salary schedule and the number of teachers at the steps and lanes;

(6) compensation increases for public employees at the state and local level; and

(7) other financial factors determined by teachers and employers to be significant.

(c) The commissioner of education shall cooperate with the commissioner of employee relations in conducting negotiations by making available any personnel and other resources necessary to enable the commissioner of employee relations to conduct effective negotiations.

Subd. 4. [AGREEMENT.] *The union may determine the procedures for ratifying the agreement, subject to approval by the commissioner of the bureau of mediation services. The commissioner of employee relations shall enter into an agreement with the representative of the union on or before October 1 of an odd-numbered year. The teachers covered by the agreement shall have the right to strike according to section 179A.18.*

Subd. 5. [LOCAL NEGOTIATIONS.] *The exclusive representative of the teachers and the school board or other public employer, as applicable, shall meet and negotiate terms and conditions of employment according to this chapter. The increase in compensation may not exceed the increase contained*

in the agreement entered into according to subdivision 4. The exclusive representative of the teachers and the school board or other public employer may enter into a collective bargaining agreement allocating that increase or providing for a smaller increase.

Subd. 6. [FINAL APPROVAL.] The agreement negotiated between the commissioner of employee relations and the representative of the union shall be submitted to the legislature to be accepted or rejected in accordance with this section and section 3.855.

If a proposed agreement is rejected or is not approved by the legislature prior to its adjournment in an even-numbered year, the legislative commission on employee relations is authorized to give interim approval to a proposed agreement. The proposed agreement shall be implemented upon its approval by the commission, and teachers covered by the proposed agreement shall not have the right to strike while the interim approval is in effect. The commission shall submit the agreement to the legislature for ratification at a special legislature called to consider it or at its next regular legislative session. Compensation increases provided for in the agreement which were paid pursuant to the interim approval by the commission shall not be affected, but the compensation increases shall cease to be paid or provided effective upon the rejection of the agreement or upon adjournment by the legislature without acting upon the agreement.

State aid shall not be reduced according to section 124A.22, subdivision 2a, as a result of failure of the legislative commission on employee relations to give interim approval, rejection by the legislature, or adjournment by the legislature without acting upon the agreement.

Sec. 16. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority, other than a school district, shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. *On or before September 15, a school district shall certify to the county auditor its proposed property tax levy for taxes payable in the following year.* If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 1, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 17. Minnesota Statutes 1991 Supplement, 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 124.82, subdivision 3, 124A.03, subdivision 2, ~~or~~ 124B.03, subdivision 2, *or* 275.125, *subdivision 14a*, 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;

(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; and

(7) if not included in the certified levy, any additional amount levied pursuant to section 275.51, subdivision 7, paragraph (b).

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 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. 18. Minnesota Statutes 1990, section 275.125, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF LEVY LIMITATIONS.] By August ~~45~~ *31*, the commissioner shall notify the school districts of their levy limits. The commissioner shall certify to the county auditors the levy limits for all school districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 15 as well as adjustments to final pupil unit counts.

A school district may require the commissioner to review the certification and to present evidence in support of modification of the certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may, at the discretion of the school district, be spread over two calendar years.

Sec. 19. Minnesota Statutes 1990, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. [LEVY FOR LOCAL SHARE OF TECHNICAL COLLEGE CONSTRUCTION.] (a) The definitions in section 136C.02 apply to this subdivision. "Construction" includes acquisition and betterment of land, buildings, and capital improvements for technical colleges.

(b) A district maintaining a technical college may levy for its share of the cost of construction of technical college facilities as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The act must require the state to pay part of the cost of technical college construction and the district to pay part of the cost.

(d) The district may levy an amount equal to the local share of the cost of technical college construction minus the amount of any unreserved net balance in the district's technical college building construction fund. A district may levy the total amount authorized by this subdivision in one

year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) ~~By the August 4~~ Before a district certifies the first levy pursuant to this subdivision, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy and the amount of the proposed levy in dollars and in terms of the local tax rate. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the ~~number of registered voters who voted in~~ of the district ~~at the most recent regular school board election on the day the petition is filed with the school board~~, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than ~~the September 20 before the levy is certified~~ *ten days prior to the adoption of the final property tax levy under section 275.065. The referendum shall be considered a referendum to increase taxes under section 275.065, subdivision 6.* The question on the ballot shall state the amount of the proposed levy in terms of the local tax rate and in dollars in the first year of the proposed levy.

(f) A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 20. Minnesota Statutes 1991 Supplement, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other

school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, 1990, and 1991, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). In 1992 and 1993, the amount distributed per ton shall be the same as that determined for distribution in 1991. In 1994, the amount distributed per ton shall be equal to the amount per ton distributed in 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. On July 15, 1995, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. Each district shall receive the product of:

(i) \$175 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1.8 percent times the district's taxable net tax capacity in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the sum of the amount certified pursuant to section 124A.03, subdivision 1g, in the previous year, plus the amount certified pursuant to section 124A.03, subdivision 1i, in the previous year, plus the referendum aid according to section 124A.03, subdivision 1h, for the current year, to the product of 1.8 percent times the district's taxable net tax capacity in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$175 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

Each district receiving money according to this paragraph shall reserve \$25 times the number of pupil units in the district. It may use the money *only for early childhood programs or for outcome-based learning programs that enhance the academic quality of the district's curriculum. The outcome-based learning programs must be approved by the commissioner of*

education.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 21. Laws 1990, chapter 366, section 1, subdivision 2, is amended to read:

Subd. 2. The superintendent of schools of special school district No. 1, Minneapolis, may appoint a person to each of the following positions in clauses (1) to (7) and more than one person to the positions in clauses (8) and (9) to perform the duties and services the superintendent may direct:

- (1) administrator/licensed personnel;
- (2) administrator/nonlicensed personnel;
- (3) administrative assistant finance and operations;
- (4) manager of transportation operations;
- (5) director of finance;
- (6) administrative assistant/research and development; ~~and~~
- (7) director of affirmative action;
- (8) parent liaison; and
- (9) public school nurse.

Sec. 22. Laws 1991, chapter 265, article 8, section 19, subdivision 6, is amended to read:

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:

\$5,925,000 1992

\$5,925,000 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 *free, reduced, and fully paid federally reimbursable* 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.

Sec. 23. Laws 1991, chapter 356, article 9, section 12, is amended to read:

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.

Employees of the Hibbing technical college who are over the age of 50 and have more than 20 years combined experience with independent school district No. 701 or Hibbing technical college as of July 1, 1992, shall have no loss in benefits due to the merger provided by this article.

Sec. 24. [ALLOCATION OF FUNDS.]

In the Northwest ECSU region, the commissioner of education shall allocate federal funds for the regional special education low incidence plans in a manner consistent with the recommendation of a majority of the school boards in the region. The allocation method must provide access for all districts in the region to the services supported by the funds.

Sec. 25. [FUND TRANSFER; LESTER PRAIRIE SCHOOL DISTRICT.]

Notwithstanding any law to the contrary, by June 30, 1992, independent school district No. 424, Lester Prairie, may transfer \$100,000 from the general fund to the capital expenditure fund to purchase computer and interactive television equipment that the district is leasing.

Sec. 26. [TAXPAYER NOTIFICATION.]

Subdivision 1. [APPLICABILITY.] This section applies only to newly authorized bonding authority granted under Laws 1990, chapter 604, article 8, section 9, and applies only to such bonds issued for calendar years 1993 through 1996.

Subd. 2. [NOTICE.] A school board must prepare a notice of the public meeting on the proposed sale of all or any of the bonds and mail the notice to each postal patron residing within the school district. The notice must be mailed at least 15 days but not more than 30 days before the meeting. Notice of the meeting must also be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the city in which the school district is located.

The notice must contain the following information:

- (1) the proposed dollar 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; and*
- (5) the required levy and principal and interest on all outstanding bonds in addition to the bonds proposed under clause (1).*

To comply with clause (4), 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 in the school district.

Subd. 3. [BOND AUTHORIZATION.] A school board may vote to issue bonds for calendar years 1993 through 1996 only after complying with the requirements of subdivision 2.

Sec. 27. [STUDY.]

(a) The Minnesota council on disabilities may conduct a study of the health needs of Minnesota students from birth to age 21 who are medically fragile or technology dependent. The department of education may cooperate with the council in conducting the study.

(b) The study must result in:

(1) a working definition of the conditions labeled "medically fragile" and "technology dependent";

(2) an unduplicated census of children defined as medically fragile or technology dependent served by school districts;

(3) an unduplicated census of children defined as medically fragile or technology dependent served by licensed hospitals and nursing homes;

(4) identification of personnel and all other resources available to school districts to serve these children;

(5) identification of resources needed but not available to school districts to serve these children;

(6) recommended guidelines for serving the educational and support needs of these children;

(7) recommendations for appropriate training of educational and support staff to serve these children; and

(8) recommendations for better coordination of education, health, and social services to children and their families.

(c) The council is encouraged to involve representatives of the following groups:

(1) children who are medically fragile or technology dependent and their families;

(2) relevant professionals and paraprofessionals serving these children, including nurses, social workers, and teachers;

(3) advocates for children and families; and

(4) other relevant groups as determined by the commissioner.

(d) A preliminary report must be made to the legislature by February 1, 1993, and a final report must be made by February 1, 1994.

Sec. 28. [PEER REVIEW MANDATE DELAY.]

Laws 1991, chapter 265, article 9, sections 45, 46, 47, 48, 52, 53, 54, and 55, are effective July 1, 1994, notwithstanding Laws 1991, chapter 265.

Sec. 29. [DELAY OF PROFICIENCY IN SIGN LANGUAGE.]

Minnesota Statutes 1991 Supplement, section 125.189, is effective August

1, 1995, notwithstanding the effective date in Laws 1991, chapter 265, article 7, section 44.

Sec. 30. [REPEALER.]

Laws 1990, chapter 604, article 8, section 12, is repealed.

Sec. 31. [EFFECTIVE DATE.]

Section 11 is effective September 1, 1992, to apply to new or increased state mandates that are effective after August 31, 1992. Section 15 is effective June 30, 1997. Section 21 is effective the day after the governing body of special school district No. 1, Minneapolis, complies with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 9

CHOICE PROGRAMS

Section 1. Minnesota Statutes 1991 Supplement, section 120.062, subdivision 8a, is amended to read:

Subd. 8a. [EXCEPTIONS TO DEADLINES.] 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.

(b) ~~If, as a result of entering into, modifying, or terminating an agreement under section 122.544 or 122.535, a~~ *a school district assigns a pupil is assigned* after December 1 to a different school for enrollment beginning at any time, the pupil, the pupil's siblings, or any other pupil residing in the pupil's residence may submit an application to a nonresident district at any time before 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 applicant, the 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.

Sec. 2. Minnesota Statutes 1990, section 123.33, subdivision 7, is amended to read:

Subd. 7. The board shall superintend and manage the schools of the district; adopt rules for their organization, government, and instruction; keep registers; and prescribe textbooks and courses of study. ~~The board may enter into an agreement with a post-secondary institution for secondary or post-secondary nonsectarian courses to be taught at a secondary school or a~~

~~nonsectarian post-secondary institution.~~

Sec. 3. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 4e. [COURSES AT SECONDARY SCHOOLS.] An eligible pupil, according to subdivision 4, may enroll in a nonsectarian course taught by a secondary teacher or a post-secondary faculty member and offered at a secondary school according to an agreement between a school board and the governing body of an eligible public post-secondary system or an eligible private post-secondary institution, as defined in subdivision 3. All provisions of this section shall apply to a pupil, school board, school district, and the governing body of a post-secondary institution, except as otherwise provided.

Sec. 4. Minnesota Statutes 1990, section 123.3514, subdivision 6, as amended by Laws 1991, chapter 265, article 9, section 38, as reenacted, is amended to read:

~~Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year For a pupil enrolled in a course under this section, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions make payments according to this subdivision for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:~~

~~(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or~~

~~(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.~~

~~For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether 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 the sum of:~~

~~(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus~~

~~(2) 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 1020 hours.~~

~~If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.~~

~~The department shall not pay any tuition reimbursement or other costs of make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.~~

~~For fiscal year 1993 and thereafter, A public post-secondary system or private post-secondary institution shall be reimbursed according to receive~~

the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. The department may obtain from a public post-secondary institution or system only the information that is required to be reported to the governing boards of the system. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.

~~For fiscal year 1993 and thereafter,~~ A school district shall receive:

(1) 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; or

(2) for a pupil who attends a secondary school part time, ~~88 percent of the product of 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 1020 hours.

Sec. 5, Minnesota Statutes 1990, section 123.3514, subdivision 6b, as amended by Laws 1991, chapter 265, article 9, section 39, as reenacted, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] ~~At the end of each school year~~ *For a pupil enrolled in a course according to this section,* the department of education shall ~~pay the tuition reimbursement amount to the post-secondary institutions make payments according to this subdivision~~ for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. ~~The amount of the tuition reimbursement equals the lesser of:~~

~~(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or~~

~~(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.~~

~~For fiscal year 1992, for a pupil attending a post-secondary institution under this section, whether 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 the sum of:~~

~~(1) 12 percent of the formula allowance, according to section 124.22, subdivision 2, times 1.3; plus~~

~~(2) for a pupil who attends a secondary school part time, the adult high school graduation aid 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 1020 hours.~~

~~If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.~~

~~The department must not pay any tuition reimbursement or other costs of make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.~~

~~For fiscal year 1993 and thereafter, A public post-secondary system or private post-secondary institution shall be reimbursed according to receive the following:~~

~~(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or~~

~~(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.~~

~~The department of education shall pay to each public post-secondary system and to each private institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. The department may obtain from a public post-secondary institution or system only the information that is required to be reported to the governing boards of the system. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary system or institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary system or institution that an overpayment has been made, the system or institution shall promptly remit the amount due.~~

~~For fiscal year 1993 and thereafter, A school district shall receive:~~

~~(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the adult high school graduation aid, times 1.3; or~~

~~(2) for a pupil who attends classes at a secondary program part time, 88 percent of the product of the adult high school graduation aid, 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 1020 hours.~~

Sec. 6. Minnesota Statutes 1990, section 126.22, is amended by adding a subdivision to read:

Subd. 2a. [ADDITIONAL ELIGIBLE PUPILS.] In addition to the eligible pupils under subdivision 2, clauses (a), (b), and (c), the following pupils are eligible:

- (1) victims of physical or sexual abuse;
- (2) pupils who have experienced mental health problems; and
- (3) pupils who have experienced homelessness any time within a six-month period prior to the date of requesting a transfer to an eligible program.

Sec. 7. Minnesota Statutes 1991 Supplement, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a ~~nonsectarian~~ an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, 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 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. 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. 8. [135A.18] [AUTHORIZATION FOR AGREEMENTS.]

The governing board of a public post-secondary system may enter into an agreement with a school board to provide a nonsectarian course taught by secondary teachers or post-secondary faculty members to an eligible pupil, as defined in section 123.3514, subdivision 4, and offered at a secondary school.

Sec. 9. Laws 1991, chapter 265, article 9, section 75, is amended to read:

Sec. 75. [REPEALER.]

Minnesota Statutes 1990, sections 120.105; 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.

Minnesota Statutes 1990, section 123.744, is repealed. Laws 1988, chapter 703, article 1, section 23, as amended by Laws 1989, chapter 293, section 81; and Laws 1989, chapters 293, section 82, and 329, article 9, section 30, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Section 8 is effective retroactively to July 1, 1991.

ARTICLE 10

LIBRARIES

Section 1. Minnesota Statutes 1991 Supplement, section 13.40, subdivision 2, is amended to read:

Subd. 2. [PRIVATE DATA: RECORDS OF BORROWING LIBRARY BORROWERS.] ~~That portion of~~ *The following data maintained by a library which links are private data on individuals and may not be disclosed for other than library purposes except pursuant to a court order:*

(1) *data that link a library patron's name with materials requested or borrowed by the patron or which links that link a patron's name with a specific subject about which the patron has requested information or materials is classified as private, under section 13.02, subdivision 12, and shall not be disclosed except pursuant to a valid court order; or*

(2) *data in applications for borrower cards, other than the name of the borrower.*

Sec. 2. Minnesota Statutes 1990, section 134.34, subdivision 1, is amended to read:

Subdivision 1. [LOCAL SUPPORT LEVELS.] A regional library basic system support grant shall be made to any regional public library system where there are at least three participating counties and where each participating city and county, ~~except in the first year of participation as provided in section 134.33,~~ is providing for public library service support the lesser of (a) ~~an amount equivalent to 0.33 percent of the adjusted gross tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1990~~ and an amount equivalent to ~~.44~~ .82 percent of the *adjusted* net tax capacity of the taxable property of that city or county, as determined by the commissioner of revenue for the second year preceding that calendar year in 1991 and later years or (b) a per capita amount calculated under the provisions of this subdivision. The per capita amount is established for calendar year ~~1990 1993~~ as ~~\$3.62~~ \$7.62. In succeeding calendar years, the per capita amount shall be increased by a ~~percentage equal to one-half of the percentage~~ by which the total state adjusted net tax capacity of property as determined by the commissioner of revenue for the second year preceding that calendar year increases over that total adjusted net tax capacity for the third year preceding that calendar year. The minimum level of support shall be certified annually to the participating cities and counties by the department of education. A city which is a part of a regional public library system shall not be required to provide this level of support if the property of that city is already taxable by the county for the support of that regional public library system. In no event shall the department of education require any city or county to provide a higher level of support than the level of support specified in this section in order for a system to qualify for a regional library basic system support grant. This section shall not be construed to prohibit a city or county from providing a higher level of support for public libraries than the level of support specified in this section.

Sec. 3. Minnesota Statutes 1990, section 134.34, is amended by adding a subdivision to read:

Subd. 4a. [GRANTS FOR CERTAIN SYSTEMS.] Notwithstanding subdivision 4, for fiscal years 1993, 1994, and 1995, a regional library basic system support grant may be made to a regional public library system for a participating city or county to which this subdivision applies.

(a) The participating city or county decreases the dollar amount provided by it for operating purposes of public library service if the amount provided by the city or county is not less than the amount provided by the city or

county for such purposes in the second preceding year.

(b) *The participating city or county:*

(1) *provided, in the most recent calendar year for which data are available, for operating purposes of public library services an amount exceeding 125 percent of the state average percentage of the adjusted net tax capacity or 125 percent of the state average local support per capita; and*

(2) *the local government aid for the city or county for the current calendar year under chapter 477A has been reduced below the originally certified amount for payment in the preceding calendar year, provided that the dollar amount of the reduction for operating purposes of public library services may not be greater than the amount it would be decreased if the decrease were in direct proportion to the reduction in the revenue base, as defined in section 477A.011, subdivision 27, resulting from the reduction in local government aid. The city or county shall file a report with the department of education indicating the dollar amount and percentage of reduction in public library operating funds.*

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, section 134.34, subdivision 2, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 4 are effective January 1, 1993.

ARTICLE 11

THE CHILDREN'S ARTICLE

Section 1. Minnesota Statutes 1990, section 121.88, is amended by adding a subdivision to read:

Subd. 11. [AFTER SCHOOL PROGRAMS.] A school board may offer, as part of a community education program, an after school program for students in grades 7 through 12 for the purpose of expanding students' learning and community service opportunities. A program is recommended to include the following:

(1) *adult supervised programs while school is not in session in the afternoon;*

(2) *parental involvement in program design and direction;*

(3) *opportunities for students to volunteer their time as part of a community service program; and*

(4) *partnerships with the kindergarten through grade 12 system and other public, private, or nonprofit entities, including religious or service organizations. The involvement of a religious organization shall be nonsectarian in nature.*

The district may charge a sliding fee based upon family income for an after school program. The district may receive money from other public or private sources for the program. The school board of the district shall develop standards for its program. The state board of education may not adopt rules for after school programs.

Sec. 2. [121.881] [COMMUNITY VIOLENCE PREVENTION COUNCILS.]

(a) *Each school board may establish at least one community violence*

prevention council. If established, the council shall be established within the community education program, if the district offers community education. If established, the school board shall appoint council members.

(b) The membership shall consist of at least the following:

(1) the community education director of the district or a staff member of the district;

(2) members of the clergy;

(3) representatives of business;

(4) civic leaders;

(5) representatives of people of color in the community;

(6) local elected officials, including county commissioners, mayors, and city council members;

(7) law enforcement officials;

(8) county social workers;

(9) representatives from a shelter for battered women, if one is located in the school district;

(10) representatives of the county attorney or an attorney;

(11) young people residing in the community; and

(12) other individuals involved in violence prevention.

(c) If a school district is located in whole or in part in more than one county, county officials and representatives from each county in which the district is located shall serve on the council. If more than one school district is located in whole or in part in a county, county officials and representatives must serve on the councils in each school district. If more than one city or town is located in whole or in part in a school district, city and town officials and representatives from each city and town must serve on the council. For a school district located in the seven-county metropolitan area, the county commissioners may appoint a representative to serve on the council.

(d) The community violence prevention council shall identify community needs and community resources for violence prevention and develop services to address the needs of the community. The community violence prevention council may apply for community violence prevention revenue according to section 4 by submitting an application to the office of the attorney general and the department of education, containing a description of the services to be provided and the procedures to be used to coordinate public and private resources to maximize the use of existing community resources and community violence prevention revenue. The services to be provided or coordinated may include the following:

(1) a community violence hotline;

(2) public forums;

(3) public service messages involving newspapers, radio, and television;

(4) a speakers bureau;

(5) billboard or other means of communication; and

(6) other programs meeting the criteria of the office of the attorney general

and the department of education to carry out violence prevention activities in the community.

(e) *The council shall meet at least six times each year.*

Sec. 3. Minnesota Statutes 1991 Supplement, section 124.2615, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. ~~For fiscal year 1992.~~ The aid is equal to:

(1) \$200 for fiscal year 1992 and \$300 for fiscal year 1993 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) \$100 for fiscal year 1992 and \$300 for fiscal year 1993 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~~ 1994 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 121.831, subdivision 8 the number of participating eligible children shall be taken into consideration in determining learning readiness aid for a district.~~

Sec. 4. [124.2717] [COMMUNITY VIOLENCE PREVENTION REVENUE.]

Subdivision 1. [ELIGIBILITY.] A school district is eligible for violence prevention revenue if the community violence prevention council has been appointed according to section 121.881 and the council has a plan approved by the office of the attorney general and the department of education.

Subd. 2. [REVENUE FOR COMMUNITY VIOLENCE PREVENTION.] A school district shall receive violence prevention revenue equal to 20 cents times the population of the district but not less than \$1,000.

Subd. 3. [COMMUNITY VIOLENCE PREVENTION LEVY.] To obtain community violence prevention revenue, a district may levy the amount raised by a tax rate of .015 percent times the adjusted tax capacity of the district. If the amount of the community violence prevention levy exceeds the community violence prevention revenue, the community violence prevention levy shall equal the community violence prevention revenue.

Subd. 4. [COMMUNITY VIOLENCE PREVENTION AID.] A district's community violence prevention aid is the difference between its community violence prevention revenue and the community violence prevention levy. If the district does not levy the entire amount permitted, the community violence prevention aid shall be reduced in proportion to the actual amount levied.

Subd. 5. [USE OF REVENUE.] Community violence prevention revenue shall be used for community violence prevention programs as set forth in

the approved application.

Sec. 5. [124C.62] [VIOLENCE PREVENTION PROGRAM GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The state board of education, in consultation with the office of the attorney general and the commissioners of human services, health, and corrections, may award violence prevention program grants to a school district or two or more school districts to develop and implement a program to:

- (1) prevent and reduce physical and emotional violence;*
- (2) identify and reduce the incidence of sexual harassment and discrimination;*
- (3) reduce child abuse and neglect;*
- (4) promote nonviolent conflict resolution; and*
- (5) promote multicultural understanding and reduce racial discrimination.*

Subd. 2. [REQUIRED ACTIVITIES.] A school district or group of school districts may submit an application for a violence prevention program grant to the state board of education describing a comprehensive program to accomplish the purposes of subdivision 1. The application shall include a plan to provide all of the following:

- (1) culturally specific planning materials, guidelines, and other information about the impact of violence and racial, cultural, and sexual harassment in society, the need for nonviolent conflict resolution and identification of racial, cultural, and sexual harassment, and positive parenting skills;*
- (2) a comprehensive and updated curriculum on violence prevention, nonviolent conflict resolution, and racial, cultural, and sexual harassment, that includes sexual stereotyping and teaches appropriate behavior, for kindergarten through grade 12 and integrated into all other curricular areas;*
- (3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, with priority to providing home visiting services, as described in subdivision 3, clause (1), and outreach to at-risk families;*
- (4) cooperation and coordination among districts and other regional resources, including but not limited to:
 - (i) battered women's programs;*
 - (ii) sexual assault centers; and*
 - (iii) community councils;**
- (5) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing solutions to problems;*
- (6) involvement of parents and other community members through a community violence prevention council formed according to section 2;*
- (7) in-service education for all teaching, licensed and nonlicensed administrative, and licensed and nonlicensed support staff in programs for children who have not yet entered kindergarten and elementary programs in the district; all teaching, licensed administrative, and licensed support staff in secondary programs in the district; all early childhood family education*

parent educators, child educators, and home visitors in the district; and all school board members, that is open to all interested parties in the community at a reasonable cost; and

(8) administrative policies that reflect, and a staff that models, behaviors that are nonviolent and do not display or condone sexual harassment.

Subd. 3. [PERMITTED ACTIVITIES.] The application may include a plan to provide any of the following:

(1) home visiting services to at-risk families including education on parenting skills, child development and stages of growth, communication skills, stress management, problem-solving skills, improving parent-child interactions, enhancing self-esteem, and community support services; and to be coordinated with other existing home visiting services in the community;

(2) services to assess and address the mental health needs of elementary and secondary pupils;

(3) establishment of adolescent health care centers to coordinate with existing health care services in the community and to promote a comprehensive health care program for pupils of all ages; and

(4) programs to recruit, train, and provide leadership for community volunteers working in violence prevention programs.

Subd. 4. [PEOPLE TO BE SERVED AND PROGRAM DURATION.] The application shall state the expected number of people to be served by the program and the expected duration of the program.

Subd. 5. [COORDINATION WITH OTHER ORGANIZATIONS.] A school district or group of districts may submit an application that includes the involvement of, and coordination with, nonprofit agencies, nonpublic schools, or regional foundations.

Subd. 6. [PROCEDURES.] The state board, in consultation with the office of the attorney general and the commissioners of human services, health, and corrections, shall establish procedures and deadlines for the grants. The state board shall review each application for a grant and may require modifications consistent with this section.

Subd. 7. [GRANT AMOUNT.] The state board in consultation with the office of the attorney general and the commissioners of human services, health, and corrections, shall determine the amount of a grant based upon the number of pupils served by the program. Grants shall be awarded to small, medium, and large districts geographically distributed throughout the state. A grant may not exceed \$400,000.

Subd. 8. [ADDITIONAL SOURCES OF REVENUE.] A school district may accept money from public and private sources for violence prevention programs developed and implemented under this section.

Sec. 6. Minnesota Statutes 1990, section 125.05, subdivision 2, is amended to read:

Subd. 2. [EXPIRATION AND RENEWAL.] Each license issued through the licensing section of the department of education issues must bear the date of issue. Licenses must expire and be renewed in accordance with the respective rules adopted by the board of teaching or the state board of education. Requirements for ~~renewal~~ of renewing a license must include ~~production of~~ satisfactory evidence of successful teaching experience for at

least one school year during the period covered by the license in grades or subjects for which the license is valid or ~~completion of completing~~ such additional preparation as the board of teaching shall prescribe. *The board of teaching and the state board of education shall include in the rules governing the content of continuing education programs an optional education program in which licensees learn how to help students resolve conflicts in effective, nonviolent ways, and programs promoting cultural sensitivity, gender fairness, violence prevention skills, sexual harassment awareness and prevention, and recognition of the signs of child abuse and neglect. The state board of education must establish the requirements for renewal of renewing the licenses of supervisory personnel must be established by the state board of education.*

Sec. 7. Minnesota Statutes 1991 Supplement, section 125.185, subdivision 4a, is amended to read:

Subd. 4a. Notwithstanding section 125.05, or any other law to the contrary, the authority of the board of teaching and the state board of education to approve teacher education programs and to issue teacher licenses expires on June 30, 1996. Any license issued by the board of teaching or the state board of education after July 1, 1991, must expire by June 30, 1996.

The board of teaching, in cooperation with the state board of education and the higher education coordinating board, shall develop policies and corresponding goals for making teacher education curriculum more consistent with the purpose of state public education. The revised teacher education curriculum must *include an education program in which candidates for licensure learn how to help students resolve conflicts in effective, nonviolent ways and programs promoting cultural sensitivity, gender fairness, violence prevention skills, sexual harassment awareness and prevention, and recognition of the signs of child abuse and neglect. The revised curriculum must be consistent with the board of teaching rules required under subdivision 4 for redesigning teacher education programs to implement a research-based, results-oriented curriculum. The revised teacher education curriculum may include a requirement that teacher education programs contain a one-year mentorship program. The mentorship program must provide students with elementary or secondary teaching experience and appropriate professional support and evaluation from licensed classroom teachers, including mentor teachers. By February 1, 1992, the board of teaching shall provide the education committees of the legislature with detailed written guidelines, strategies, and programs to implement the revised teacher education curriculum. By February 1, 1993, the board of teaching and the state board of education shall adopt rules under chapter 14 that are consistent with the guidelines, strategies, and programs provided to the legislature, including amending board rules governing the issuing, expiring, and renewing of teacher licenses.*

The higher education coordinating board shall assist the state's teacher preparation institutions in developing teacher education curriculum for their students that is consistent with the guidelines, programs, and strategies approved by the legislature. The institutions must use the revised teacher education curriculum to instruct their students beginning in the 1996-1997 school year.

Sec. 8. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan to

accomplish any of the following purposes:

(1) foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;

(2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;

(3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;

(4) design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;

(5) evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; ~~and~~

(6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers; *and*

(7) provide for in-service education for elementary and secondary staff to teach and model violence prevention, anti-sexual, racial, and cultural harassment policy and curricula, and to teach nonviolent conflict resolution.

Sec. 9. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 6j, is amended to read:

Subd. 6j. ~~[LEVY FOR CRIME RELATED COSTS.] For taxes levied in 1991 payable in 1992 only.~~ Each year a 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; *and* (2) ~~to teach drug abuse resistance education curricula pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (f), 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's 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. 10. Minnesota Statutes 1991 Supplement, 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, 297E, and sections 298.01 and 298.015.

Sec. 11. 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 (i) elect to itemize deductions under section 63(e) of the Internal Revenue Code and (ii) have a federal adjusted gross income that does not exceed: \$75,000 if the taxpayer is married and files a joint return, \$37,500 if the taxpayer is married and files separately, \$63,900 if the taxpayer qualifies as a head of household as defined under section 2(b) of the Internal Revenue Code, or \$42,400 if the taxpayer is unmarried;

(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.

CHAPTER 297E

TAX ON SOFT DRINKS

Sec. 12. [297E.01] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] For purposes of this chapter, the terms defined in this section have the meaning given.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 3. [SOFT DRINKS.] "Soft drinks" means carbonated beverages, beverages commonly referred to as soft drinks containing less than 15 percent fruit juice, or bottled water other than noncarbonated and noneffervescent bottled water sold in individual containers of one-half gallon or less in size.

Subd. 4. [RETAILER.] "Retailer" means a person who sells soft drinks at retail to ultimate consumers. Retailer includes a person who buys soft drinks for redistribution to one or more retail establishments the person owns or with which the person maintains a franchise agreement.

Subd. 5. [WHOLESALE.] "Wholesaler" means any person who sells or otherwise furnishes for resale purposes, from a stock maintained inside or outside the state, soft drinks to one or more retailers within the state. Wholesaler includes a manufacturer of soft drinks who sells soft drinks directly to retailers.

Sec. 13. [297E.02] [TAX IMPOSED.]

(a) There is imposed a tax on the first sale of soft drinks by a wholesaler to a retailer in the state or on importation into the state. The tax is imposed at the rate of five percent of the wholesale price. The liability for the tax is incurred when the soft drinks are delivered by the wholesaler to the retailer, to a common or contract carrier for delivery to the retailer, or when received by the customer's authorized representative at the wholesaler's place of business, regardless of the wholesaler's method of accounting or of the terms of the sale.

(b) The commissioner of revenue shall not impose or collect the tax in paragraph (a) unless the commissioner of education makes payments to school districts required by sections 124.2615, 124.2717, and 124C.62 according to the appropriations in this article.

Sec. 14. [297E.03] [RETURNS.]

The tax imposed by this chapter is due and payable on or before the 20th day of the month following the month in which the liability for the tax is incurred. Each wholesaler shall file a return monthly with the commissioner stating the total volume of soft drinks the wholesaler has sold that is subject to the tax during the previous month. The commissioner may authorize returns to be filed by means of magnetic media or electronic data transfer.

Sec. 15. [297E.04] [TAX PERMIT.]

Every wholesaler must file with the commissioner an application, on a form the commissioner prescribes, for a soft drink tax identification number and soft drink tax permit. A permit is not assignable and is valid only for the wholesaler in whose name it is issued.

Sec. 16. [297E.05] [RECORDS.]

A wholesaler must keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of all soft drinks held, purchased, manufactured, or brought in or caused to be brought in from outside the state, and all sales of soft drinks. Books, records, and other papers and documents must be kept for a period of at least three years after the date of the documents, or the date of entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner or the commissioner's authorized agents may enter a wholesaler's place of business and inspect the premises and the records required to be kept under this section, to determine whether the provisions of this chapter are being fully complied with. If the commissioner or any of the commissioner's agents are denied free access to, or are hindered or interfered with in making an inspection of, a wholesaler's place of business, the commissioner may revoke the wholesaler's permit.

Sec. 17. [297E.06] [SUSPENSION REVOCATION.]

The commissioner, after giving notice, may for reasonable cause revoke or suspend a permit issued to a wholesaler under section 15. The notice must be sent to the distributor at least 15 days before the effective date of the proposed suspension or revocation. The notice must give the reason for the proposed action and must direct the wholesaler to show cause why the proposed action should not be taken. The notice may be served personally or by mail. A suspension or revocation is a contested case under sections 14.57 to 14.69.

Sec. 18. [297E.07] [REFUNDS.]

The commissioner shall allow a refund of tax paid under this chapter of (1) tax paid on soft drinks that are returned to a wholesaler by a retailer, if the soft drinks are subsequently returned by the wholesaler to the manufacturer, and (2) tax paid in excess of the amount owed. The amounts necessary to make the refunds are appropriated to the commissioner from the fund established in section 22.

Sec. 19. [297E.08] [COLLECTION; CIVIL PENALTIES.]

The provisions of chapter 289A relating to the commissioner's authority to audit, assess, and collect the tax imposed by chapter 297A apply to the tax, penalty, and interest imposed by this chapter. The commissioner shall impose civil penalties for violation of this section as provided in section 289A.60, and the additional tax and penalties are subject to interest at the rate provided in section 270.75.

Sec. 20. [297E.09] [RULES.]

The commissioner may adopt rules for the administration and enforcement of this chapter.

Sec. 21. [297E.10] [PERSONAL DEBT.]

The tax imposed by this chapter, penalties, and interest thereon, is a personal debt of the person required to file a return from the time the

liability for the tax arises, without regard to when the time for payment of the liability occurs. The debt is, in the case of the executor or administrator of the estate or a decedent and in the case of a fiduciary, that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

Sec. 22. [297E.11] [DEPOSIT OF FUNDS.]

All revenues received under this chapter must be paid to the state treasurer for deposit in the early learning and violence prevention account in the special revenue fund.

Sec. 23. [297E.12] [VIOLATIONS.]

It is a gross misdemeanor for any person to:

(1) possess, with intent to evade the tax, soft drinks on which the tax imposed by this chapter has not been paid;

(2) make a false statement on any return or other document filed with the commissioner under this chapter; or

(3) falsify or fail to keep a record required to be kept under this chapter.

Sec. 24. Laws 1991, chapter 265, article 11, section 23, subdivision 1, is amended to read:

Subdivision 1. [DEPARTMENT OF EDUCATION.] (a) 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.

(b) The amounts that may be spent for each program are specified in the following subdivisions.

(c) The approved complement is:

	1992	1993
General Fund	258.5	258.5 214.5
Federal	135.6	135.6 137.7
Other	28.9	28.9 25.3
Total	423.0	423.0 377.5

(d) The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the education finance division of the education committee of the house of representatives and the education funding division of the education committee of the senate. 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.

(e) The commissioner of education may transfer complement among funds if necessary and must provide a listing of the transfers to the commissioner of finance at the end of each fiscal year. Material changes must be approved by the commissioner of finance and reported to the house education finance division and the senate education funding division.

(f) The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

(g) The commissioner shall continue to enforce Minnesota Statutes, section 126.21, and other civil rights laws as they apply to programs supervised by the commissioner. This function must not be performed by the same person who, with funding under a federal grant, is providing technical assistance to school districts in implementing nondiscrimination laws.

(h) It is the policy of the legislature to maximize the delivery of educational services to students. If a reduction in the number of employees of the department of education is necessary, the commissioner must make the reduction to personnel based on the following:

(1) Compute a ratio for each category of management, supervisory, line, and support personnel equal to:

(i) the salaries paid to personnel in each category, for the fiscal year ending June 30, 1991, divided by

(ii) the total salaries paid to employees in the department for the fiscal year ending June 30, 1991.

(2) Reduce the personnel budget in each category of personnel by an amount equal to the total budget reduction determined by the department for personnel reduction, times the ratio computed in clause (1).

(3) The total budget reduction is the difference between the general fund appropriation for the department and the amount recommended by the governor.

Sec. 25. [LEARNER OUTCOMES.]

The department of education shall establish measurable outcomes to demonstrate knowledge of violence prevention, anti-sexual harassment behaviors, nonviolent conflict resolution, and identification of and ability to contact personal safety support services.

Sec. 26. [1992 COMMUNITY VIOLENCE PREVENTION REVENUE.]

A school district may levy in 1992 for taxes payable in 1993 for community violence prevention revenue for fiscal years 1993 and 1994 even if it does not have an approved plan. To levy for taxes payable in 1993, the district shall notify the department of education of its intention to develop a plan for approval by the office of the attorney general and the department of education. If a district does not subsequently have an approved plan, the department of education shall reduce the district's community education levy or general education levy, if the district does not levy for community education, by the amount the district levied according to this section.

Sec. 27. [SURVEY AND RECOMMENDATIONS ON VIOLENCE PREVENTION EDUCATION AND PREVENTION PROGRAMS.]

Subdivision 1. [SURVEY.] The department of education may conduct a survey of each school district about the violence prevention programs and nonviolent conflict resolution programs provided by the district to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

Subd. 2. [SURVEY CONTENT.] The department shall develop the form and content of the survey. The survey must at least identify:

(1) a description of the programs and curricula;

(2) current in-service programs for district staff;

(3) any problems the district may have experienced in implementing or attempting to implement programs;

(4) community and state resources available to assist districts in providing programs; and

(5) coordination of district programs with other districts, ECSUs, local community services, agencies, or organizations that assist in violence intervention or prevention.

Subd. 3. [REPORT TO LEGISLATURE.] Based on a compilation of the district surveys, the commissioner of education shall report to the education committees of the legislature by January 15, 1993, the results of the district surveys and recommendations about successful and effective programs.

Sec. 28. [DEPARTMENT COMPLEMENT.]

The complement of the department of education is increased by one for the purposes of violence prevention programs in this article.

Sec. 29. [APPROPRIATIONS REDUCTION.]

The general fund appropriations in Laws 1991, chapter 265, are reduced for the fiscal years indicated for the programs shown by the following amounts:

	1992	1993
<i>General and Supplemental Education Aid</i>		(\$2,700,000)
<i>Transportation Aid</i>	(\$1,468,200)	(259,100)
<i>Summer Special Education Aid</i>	(71,600)	
<i>Individualized Learning and Development Aid</i>	(425,000)	(75,000)
<i>Assurance of Mastery</i>	(11,300)	(2,000)
<i>Special Programs Equalization Aid</i>		(1,000,000)
<i>Adult Basic Education Aid</i>		(500,000)
<i>Early Childhood Family Education Aid</i>	(104,800)	(18,000)
<i>Capital Expenditure Facilities Aid</i>		(2,352,000)
<i>Capital Expenditure Equipment Aid</i>		(2,387,000)
<i>Health and Safety Aid</i>	(1,147,500)	(202,500)
<i>Cooperation and Combination Aid</i>		(162,000)
<i>Secondary Vocational Cooperative Aid</i>	(5,700)	(1,000)
<i>Educational Cooperative Service Units</i>		(127,200)
<i>Management Information Centers</i>		(682,200)
<i>Nonpublic Pupil Aid</i>	(146,500)	(25,800)
<i>Teacher Mentorship</i>		(50,000)
<i>Educational Effectiveness</i>		(150,000)
<i>State PER Assistance</i>		(120,200)

Department of Education

(700,000)

The commissioner of education may allocate the reduction in the department among the department's programs. The reduction may not be made from the Faribault academies.

Sec. 30. [TRANSCRIPT AND OTHER COSTS OF LITIGATION.]

The department of finance shall transfer \$50,000 from the account of the department of education for payment of consultant fees to an account of the office of the attorney general to pay the costs of preparing a transcript of the trial of Skeen, et. al. v. State of Minnesota, et. al., and other related costs of appeal. The amount transferred is appropriated for fiscal year 1992 to the office of the attorney general to continue litigation of the case.

Sec. 31. [FINANCIAL CHARGES PROHIBITED.]

The commissioner of education may not charge school districts or other educational agencies for the costs of the Minnesota quick link system or any other mode of communication with school districts or other educational agencies.

Sec. 32. [ACCOUNT TRANSFER.]

\$1,000,000 is transferred in fiscal year 1993 from the early learning and violence prevention account from the special revenue fund to the general fund.

Sec. 33. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the early learning and violence prevention account of the special revenue fund to the agency indicated for fiscal year 1993.

Subd. 2. [VIOLENCE PREVENTION PROGRAM AID AND GRANTS AND LEARNING READINESS AID.] To the department of education for community violence prevention aid, violence prevention program grants, and learning readiness program aid:

\$28,975,000 1993

Up to \$50,000 of the appropriation may be used to provide assistance to and coordination of community violence prevention programs and violence prevention grant programs.

\$50,000 of the appropriation is available to the department to use for administration of the program.

Subd. 3. [OFFICE OF THE ATTORNEY GENERAL.] To the office of the attorney general to provide assistance to and coordination of community violence prevention councils.

\$25,000 1993

The appropriations in this section are contingent upon the availability of receipts from the early learning and violence prevention account in the special revenue fund. The appropriation shall be reduced proportionately based upon the revenue available.

Sec. 34. [REPEALER.]

Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; and 121.28, are repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 10 and 12 to 23 are effective for sales of soft drinks after June 30, 1992. Section 11 is effective for taxable years beginning after December 31, 1991.

ARTICLE 12

NONCONTROVERSIAL AND TECHNICAL CHANGES

Section 1. Minnesota Statutes 1991 Supplement, 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. Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(d) 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.

(e) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to make a tuition charge for less than the amount specified in clause (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 (d) for providing appropriate educational programs to pupils attending the applicable school.

(f) Notwithstanding the provisions of clauses (b) and (d), 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.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident *kindergarten* and elementary students and the actual number of Minnesota resident 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 *kindergarten* and 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.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must 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.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section.

Sec. 2. Minnesota Statutes 1990, section 121.935, is amended by adding a subdivision to read:

Subd. 7a. [LIMITATION ON ALL AGREEMENTS.] (a) 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.

(b) This subdivision shall not affect the continued liability of a district for its share of bonded indebtedness or other debt incurred by the center before July 1, 1993. The district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on June 30, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the district are not increased and if the total obligation of the district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities provided by the center or to withdraw from the center, the school board shall adopt a resolution and notify the center of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the board of a center shall adopt a resolution proposing to issue bonds or incur other debt and

the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The board of the center shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the board of the center, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;*
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or*
- (3) its intention to withdraw from the regional center.*

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the board of the regional center. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the board of the regional center, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the board of the regional center.

(e) On and after July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the regional center to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the board of the regional center provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 3. 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 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. 4. Minnesota Statutes 1990, section 122.23, subdivision 13a, is amended to read:

Subd. 13a. [CONSOLIDATION IN AN EVEN-NUMBERED YEAR.] Notwithstanding subdivision 13, school districts may consolidate ~~during~~ *effective July 1 of an even-numbered year* if the school board and the exclusive bargaining representative of the teachers in each affected district agree to the effective date of the consolidation. The agreement must be in writing and submitted to the commissioner of education.

Sec. 5. Minnesota Statutes 1990, section 123.35, is amended by adding a subdivision to read:

Subd. 19a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school 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 the purposes of 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.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year or, at the option of the school board, June 30 of the following fiscal year.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

- (1) its concurrence with issuing bonds or incurring other debt;*
- (2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or*
- (3) its intention to terminate participation in the agreement.*

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A

school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 6. Minnesota Statutes 1991 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (~~a~~) (1) general education aid authorized in sections 124A.23 and 124B.20;
- (~~b~~) (2) secondary vocational aid authorized in section 124.573;
- (~~c~~) (3) special education aid authorized in section 124.32;
- (~~d~~) (4) secondary vocational aid for handicapped children authorized in section 124.574;
- (~~e~~) (5) aid for pupils of limited English proficiency authorized in section 124.273;
- (~~f~~) (6) transportation aid authorized in section 124.225;
- (~~g~~) (7) community education programs aid authorized in section 124.2713;
- (~~h~~) (8) adult education aid authorized in section 124.26;
- (~~i~~) (9) early childhood family education aid authorized in section 124.2711;
- (~~j~~) (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
- (~~k~~) (11) education district aid according to section 124.2721;
- (~~l~~) (12) secondary vocational cooperative aid according to section 124.575;
- (~~m~~) (13) assurance of mastery aid according to section 124.311;
- (~~n~~) (14) individual learning and development aid according to section 124.331;
- (~~o~~) (15) 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;
- (~~p~~) (16) 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:

~~(*)~~ (17) homestead and agricultural credit aid and disparity reduction aid authorized in section 273.1398, subdivision 2; ~~and~~

~~(*)~~ (18) attached machinery aid authorized in section 273.138, subdivision 3; *and*

(19) *alternative delivery aid authorized in section 124.322.*

(b) 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. 7. Minnesota Statutes 1991 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least the number of days required in *section 120.101*, subdivision ~~4b~~ *5b*, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 1b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 8. Minnesota Statutes 1991 Supplement, section 124.2727, subdivision 6, is amended to read:

Subd. 6. [ALTERNATIVE LEVY AUTHORITY.] (a) An intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:

(1) five-sixths of the levy certified for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school

district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) ~~Five-sixths~~ *Five-elevenths* of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) To levy according to paragraph (a), a majority of the full membership of the school board of each member of the intermediate school district shall adopt a resolution in August of any year stating its decision not to levy according to this section and authorizing the intermediate district to levy according to paragraph (a). Any member district may adopt a resolution by the following February 1 or February 1 of any subsequent year to levy as a school district the amount authorized by this section. The resolution may or may not also contain the school board's decision to withdraw from the intermediate school district or to cease participating in or providing financial support for any of the services or activities of the intermediate school district. Upon withdrawal from or cessation of participation in or support for the services or activities of the intermediate district, the board of the intermediate district shall pay to the district \$50 times the number of actual pupil units in the school district, or a prorated amount if the member district ceases participation in or providing financial support for any activities or services of the intermediate district.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 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. 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 revenue per actual pupil unit, the estimated net tax capacity rate in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing *referendum* levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring *referendum* levy authority, and express the proposed increase as the amount, if any, over the expiring *referendum* levy authority. The ballot shall designate the specific number of years, not to exceed five, 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 revenue proposed by (petition to) the board of School District No. be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year 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 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 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: "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 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 referendum to revoke or reduce the levy amount must 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. Revenue approved by the voters of the district pursuant to paragraph (a) must be 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 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.

(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. 10. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8a. [SUPPLEMENTAL LEVY.] *To obtain supplemental revenue, a district may levy an amount not more than the product of its supplemental revenue for the school year times the lesser of one or the ratio of its general education levy to its general education revenue, excluding training and experience revenue and supplemental revenue, for the same year.*

Sec. 11. Minnesota Statutes 1990, section 124A.22, is amended by adding a subdivision to read:

Subd. 8b. [SUPPLEMENTAL AID.] *A district's supplemental aid equals its supplemental revenue minus its supplemental levy times the ratio of the actual amount levied to the permitted levy.*

Sec. 12. Minnesota Statutes 1990, section 124A.23, subdivision 3, is amended to read:

Subd. 3. [GENERAL EDUCATION LEVY: DISTRICTS OFF THE FORMULA.] If the amount of the general education levy for a district exceeds the district's general education revenue, excluding *training and experience revenue and supplemental revenue*, the amount of the general education levy shall be limited to the following:

(1) the district's general education revenue, excluding *training and experience revenue and supplemental revenue*; plus

(2) the amount of the aid reduction for the same school year according to section 124A.24; minus

(3) payments made for the same school year according to section 124A.035, subdivision 4.

For purposes of statutory cross-reference, a levy made according to this subdivision shall be construed to be the levy made according to subdivision 2.

Sec. 13. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 4, is amended to read:

Subd. 4. [GENERAL EDUCATION AID.] A district's general education aid is the sum of the following amounts:

(1) the product of (i) the difference between the general education revenue, excluding *training and experience revenue and supplemental revenue*, and the general education levy, times (ii) the ratio of the actual amount levied to the permitted levy;

~~(2) the product of (i) the difference between the supplemental revenue and the supplemental levy, times (ii) the ratio of the actual amount levied to the permitted levy~~ *training and experience aid according to section 124A.22, subdivision 4b;*

(3) *supplemental aid according to section 11;*

(4) *shared time aid according to section 124A.02, subdivision 21; and*

~~(4) (5) referendum aid according to section 124A.03.~~

Sec. 14. Minnesota Statutes 1991 Supplement, 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 chapters 124 and 124B, receivable for the same school year, and from other state payments receivable for the same school year authorized in chapter 273. The aid in section 124.646 must not be reduced.

The amount of the deduction equals the difference between:

(1) the general education tax rate, according to section 124A.23, times the district's adjusted net tax capacity used to determine the general education aid for the same school year; and

(2) the district's general education revenue, excluding *training and experience revenue* and supplemental revenue, for the same school year, according to section 124A.22.

However, 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. 15. Minnesota Statutes 1990, section 124A.26, subdivision 2, is amended to read:

Subd. 2. [LEVY REDUCTION.] If a district's general education revenue is reduced, the general education levy shall be reduced by the following amount:

(1) the reduction specified in subdivision 1, times

(2) the lesser of one or the ratio of the district's general education levy to its general education revenue, excluding *training and experience revenue* and supplemental revenue.

Sec. 16. Minnesota Statutes 1990, section 125.18, subdivision 1, is amended to read:

Subdivision 1. A teacher who holds a license ~~from the department~~, *according to chapter 125 or 136C*, and a contract for employment ~~in by a public school district or other organization providing public education~~ may be granted a sabbatical leave by the board employing ~~such person the teacher~~ under rules promulgated by ~~such the~~ board.

Sec. 17. Minnesota Statutes 1990, section 136D.27, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.24 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, ~~except the levies authorized by subdivision 4~~, sections 124.2727, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 18. Minnesota Statutes 1990, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding ~~subdivisions 2 and subdivision 4~~, section 136D.73, subdivision 3, or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any

purpose, except the levies authorized by ~~subdivision 4~~, sections 124.2727, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 19. Minnesota Statutes 1990, section 136D.87, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.84 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by ~~subdivision 4~~, sections 124.2727, 124.83, subdivision 4, 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.

Sec. 20. Minnesota Statutes 1990, section 205A.10, subdivision 2, is amended to read:

Subd. 2. [ELECTION, CONDUCT.] A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204C.15; 204C.19; 206.63; 206.64, subdivision 2; 206.74, subdivision 3; 206.75; ~~and 206.83; and 206.86, subdivision 2~~, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a statewide election.

Sec. 21. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before September 1, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by charter to the county auditor by September 1, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties, school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 124 or 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 22. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 23. [LEVY ADJUSTMENT FOR ENACTED CHANGES.] When a change enacted in law changes the levy authority for a school district or an intermediate school district for a fiscal year after the levy for that fiscal year has been certified by the district under section 275.07, the department of education shall adjust the next levy certified by the district by the amount of the change in levy authority for that fiscal year resulting from the change. Notwithstanding section 121.904, the entire amount of the levy adjustment must be recognized as revenue in the fiscal year the levy is certified, if sufficient levy resources are available under generally accepted accounting principles in the district fund where the adjustment is to occur. School districts that do not have sufficient levy resources available in the fund where the adjustment is to occur shall recognize in the fiscal year the levy is certified an amount equal to the levy resources available. The remaining adjustment amount shall be recognized as revenue in the fiscal year after the levy is certified.

Sec. 23. Laws 1991, chapter 265, article 7, section 37, subdivision 6, is amended to read:

Subd. 6. [CONTRACT FUNDS.] Any unexpended Contract funds awarded to a school, school district, or group of districts in one fiscal year do not cancel but are available in the next fiscal year shall be used only for outcome-based education purposes and activities specified in the contract. Any of the contract funds unexpended in the first fiscal year shall be available to the award recipient in the second fiscal year for the same purposes and activities.

Sec. 24. Laws 1991, chapter 265, article 9, section 76, is amended to read:

Sec. 76. [EFFECTIVE DATE.]

Section 123.38, subdivision 2b, is effective the day following final enactment and applies to the 1990-1991 school year and thereafter. Sections 123.33, subdivision 1; and 123.3514, subdivision 4 are effective the day following final enactment and apply to 1991-1992 and later school years.

Sections 122.895; 123.35, subdivision 20; 125.09, subdivision 4; 128C.01, subdivision 5; 214.10, subdivision 9 are effective the day following final enactment. Section 122.41 is effective July 1, 1992. Section 120.062, subdivision 8a, paragraphs (b) and (c), are effective retroactively to December 1, 1990. Sections 123.3514, subdivision 4; and Section 124.17, subdivision 1c are effective retroactively to July 1, 1990. Section 281.17 is effective for taxes deemed delinquent after December 31, 1991. Sections 125.12, subdivisions 3a and 4a; and 125.17, subdivisions 2a and 3a are effective July 1, 1993. Sections 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 8; 121.936, subdivisions 1, 2, and 4; and 121.937, subdivision 1, are effective July 1, 1993.

Under Minnesota Statutes, section 123.34, subdivision 9, a contract executed before July 1, 1991, between a superintendent and a school board that continues in effect beyond June 30, 1991, shall continue until terminated under those terms that were lawful at the time the contract was executed.

Sections 15 to 30 are effective July 1, 1993. Section 74 is effective the day following final enactment.

Sec. 25. [INSTRUCTION TO REVISOR.]

In addition to the recodification of subdivisions of Minnesota Statutes, section 275.125, required by Laws 1991, chapter 130, section 37, the revisor of statutes, in the 1992 edition of Minnesota Statutes, shall recodify in chapter 124 all subdivisions of Minnesota Statutes, section 275.125, added by any chapter of Laws 1991 or Laws 1992, notwithstanding any law to the contrary.

Sec. 26. [REPEALER.]

(a) Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; and 123.35, subdivision 19, are repealed effective July 1, 1993.

(b) Minnesota Statutes 1991 Supplement, section 124.646, subdivision 2, is repealed effective the day following final enactment.

(c) Minnesota Statutes 1990, section 124A.23, subdivision 2a; and Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; and 6, section 60, are repealed effective July 1, 1992.

Sec. 27. [EFFECTIVE DATE.]

Sections 2 and 5 are effective July 1, 1993. Section 22 is effective retroactively to May 1, 1991, and applies beginning with adjustments to the 1991 payable 1992 levy for fiscal year 1992."

Delete the title and insert:

"A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies; imposing a tax; modifying certain income tax provisions; modifying appropriations; appropriating money; amending Minnesota Statutes 1990, sections 120.17, subdivisions 2, 3a, and 16; 121.11, subdivision 7; 121.88, by adding a subdivision; 121.935, by adding subdivisions; 122.23, subdivisions 12, 13, and 13a; 122.241, subdivision 3; 122.531, by adding subdivisions; 122.532, subdivision 2; 123.33, subdivision 7; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, subdivision 3, and by adding a subdivision; 123.78, by adding a subdivision; 124.155, subdivision 1; 124.17, by adding a subdivision; 124.19, subdivision 5; 124.243, subdivisions 2 and 6; 124.244, subdivision 1; 124.2725, subdivision 2; 124.6472, by adding subdivisions; 124.73, subdivision 1; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2; 124A.29, as amended; 124C.61; 125.05, subdivision 2; 125.18, subdivision 1; 126.22, by adding a subdivision; 128A.09, subdivision 2, and by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.65, subdivision 1; 136D.22, subdivision 1; 136D.27, subdivision 2; 136D.74, subdivision 2a; 136D.82, subdivision 1; 136D.87, subdivision 2; 205A.10, subdivision 2; 275.125, subdivisions 10, 14a, and by adding subdivisions; 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 13.40, subdivision 2; 120.062, subdivision 8a; 120.17, subdivisions 3b and 7a; 120.181; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.915; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 124.155, subdivision 2; 124.19, subdivision 1; 124.195, subdivisions 2 and 3a; 124.2601, subdivision 6; 124.2615, subdivision 2; 124.2721, subdivision 5a; 124.2727, subdivision 6; 124.646, subdivision 4; 124.6472, subdivision 1; 124.84, subdivision 3; 124.95, subdivisions 1 and 2; 124A.03, subdivisions 1h, 2, and 2a; 124A.23, subdivision 4; 124A.24;

125.185, subdivision 4a; 125.62, subdivision 6; 126.23; 126.70, subdivision 2a; 128B.10, subdivision 2; 136D.72, subdivision 1; 275.065, subdivisions 1 and 6; 275.125, subdivisions 6j and 11g; 289A.01; 298.28, subdivision 4; 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapters 265, articles 3, section 39, subdivision 16; 4, section 30, subdivisions 9 and 11; 5, sections 18 and 23; 7, section 37, subdivision 6; 8, sections 14 and 19, subdivision 6; 9, sections 75 and 76; 11, section 23, subdivision 1; and 356, article 9, section 12; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 124A; 124C; 126; 135A; 136C; 179A; 295; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 124A.02, subdivision 24; 124A.23, subdivisions 2, 2a, and 3; 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; 128A.024, subdivision 1; 134.34, subdivision 2; Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; 123.35, subdivision 19; 124.2721, subdivision 5b; 124.2727, subdivisions 1, 2, 3, 4, 5, and 6; 124.646, subdivision 2; 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; 124A.23, subdivisions 1, 4, and 5; 126.071, subdivision 1; 126.70; Laws 1990, chapter 604, article 8, section 12; and Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; 6, sections 60 and 64; and 7, section 35.”

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.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken in the Education Funding Division on Article 11 of S.F. No. 2326.

There were yeas 6 and nays 4, as follows:

Those who voted in the affirmative were:

Messrs. Dicklich, Dahl, Pogemiller, Stumpf, Meses. Pappas and Reichgott

Those who voted in the negative were:

Messrs. Knaak, Larson, Mehrkens and Ms. Olson

Article 11 was adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2755: A bill for an act relating to taxation; income and franchise; updating references to the Internal Revenue Code; providing for payment of corporate estimated tax; amending Minnesota Statutes 1990, section 289A.26, subdivision 7; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
AIDS TO LOCAL GOVERNMENTS

Section 1. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3, is amended to read:

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 deposited in the trust fund under sections 297A.44 and 297B.09 and other law; and

(2) the payments authorized by law to be made out of the trust.

If the estimated payments exceed the estimated receipts of the trust fund, the appropriations from the trust to each program are proportionately reduced, unless otherwise provided by law.

If the estimated receipts of the trust fund exceed the estimated payments by \$1,000,000 or more, the appropriation from the trust fund to each intergovernmental aid program is increased proportionately. The aid paid to each local government under the program is increased proportionately unless otherwise provided by law.

(3) For purposes of this clause, "intergovernmental aid programs" means:

(i) homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 273.1398;

(ii) manufactured home homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 274.20;

(iii) disparity reduction aid to counties, cities, towns, and special taxing districts under section 273.1398;

(iv) additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5;

(v) supplemental homestead property tax relief under section 273.1391;

(vi) disparity reduction credit under section 273.1398, subdivision 4;

(vii) local government aid and equalization aid under chapter 477A; and

(viii) attached machinery aid to counties under section 273.138.

(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 trust fund, the commissioner may at other times estimate the amount of receipts or payments and reduce or restore the appropriations under paragraph (a).

Sec. 2. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND ADVANCES.] If the money in the trust fund 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 trust fund necessary to make the payments. On or before the close of the biennium the trust shall repay the advances ~~with without interest, calculated at the rate of earnings on invested treasurer's cash,~~ to the general fund.

Sec. 3. Minnesota Statutes 1991 Supplement, section 16A.711, is amended by adding a subdivision to read:

Subd. 5. [CONTINGENT REDUCTIONS.] Notwithstanding subdivision 3, in fiscal year 1993 if the commissioner of finance, in consultation with the commissioner of revenue, estimates that the receipts of the local government trust fund will be insufficient to pay all the appropriations from the local government trust fund, the appropriations from the local government trust fund under section 273.1398, subdivision 7, and section 477A.03 must be reduced as provided by chapter 477A.

Sec. 4. [16A.712] [LOCAL GOVERNMENT TRUST; APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year 1993 and subsequent years are appropriated to the commissioner of revenue from the local government trust fund:

(1) in fiscal year 1994 and subsequent years, \$2,274,000 annually to be transferred to the general fund for costs associated with the state takeover of income maintenance programs pursuant to section 5;

(2) \$2,526,000 in fiscal year 1994, and \$18,874,000 in fiscal years 1995 and subsequent years to be transferred to the general fund for funding of the corrections equalization formula under section 477A.0121. It is the declared intent of the legislature that monies appropriated under this clause will not be used to reduce appropriations from the general fund for the correction equalization formula below the amount appropriated in fiscal year 1993;

(3) in fiscal year 1994 and subsequent years, \$10,455,000 annually for payment to the Minneapolis employees retirement fund under section 422A.101, subdivision 3. Payments shall cease when the unfunded accrued liability of the fund is fully amortized;

(4) in fiscal year 1994 and subsequent years, \$550,000 annually for payment to the Minneapolis employees retirement fund under section 356.865. The payment cannot be greater than the supplemental benefit lump sum payment under section 356.865, subdivision 2;

(5) in fiscal year 1994 and subsequent years, \$5,055,000 annually for payment of state aid to local police and salaried firefighters relief associations under section 423A.02. Payments shall cease when the unfunded accrued liabilities of the associations are fully amortized;

(6) in fiscal year 1994 and subsequent years, mobile home homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 274.20;

(7) in fiscal year 1993 and subsequent years, attached machinery aid to counties under section 273.138;

(8) in fiscal year 1993 and subsequent years, supplemental homestead credit under section 273.1391; and

(9) \$460,000 to the commissioner of revenue to administer the local option tax for fiscal year 1993.

(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1994 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law.

Sec. 5. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392, ~~except as follows:~~

~~(1) beginning July 1, 1992, the county shall pay 25 percent of the costs of the growth in emergency general assistance payments which exceed expenditures during the base year of calendar year 1990;~~

~~(2) beginning July 1, 1992, the county shall pay 25 percent of the costs of the growth in eligible general assistance negotiated rate payments which exceed expenditures during the base year of calendar year 1990;~~

~~(3) beginning July 1, 1992, the county shall pay 15 percent of the costs of the growth in Minnesota supplemental aid negotiated rate payments made which exceed expenditures during the base year of calendar year 1990;~~

~~(4) beginning July 1, 1992, the county shall pay 50 percent of the nonfederal portion of the growth in emergency assistance payments made which exceed expenditures during the base year of calendar year 1990.~~

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 6. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993 shall be made on or before July 10 in each of those

years. Payments for the period August through December for calendar years 1991, 1992, and 1993 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) ~~Payment for 1/24 of the base amount and the January 1994 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994. For the period of February 1, 1994, through July 31, 1994, payment of the base amount shall be made on or before July 10, 1994, and Beginning in January of 1994 payment of the growth amount over the base amount for the period of January 1 through July 31 shall be made on or before the third of each month. Payment of the base amount for the period of January 1 through July 31 shall be made on or before July 10. Payments for the period of August 1994 through December 1994 shall be made on or before the third of each month thereafter through December 31, 1994.~~

(c) ~~Payment for the county share of county agency expenditures during January 1995 shall be made on or before January 3, 1995. Payment for 1/24 of the base amount and the February 1995 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before February 3, 1995. For the period of March 1, 1995, through July 31, 1995, payment of the base amount shall be made on or before July 10, 1995, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1995 through December 1995 shall be made on or before the third of each month thereafter through December 31, 1995.~~

(d) ~~Monthly payments for the county share of county agency expenditures from January 1996 through February 1996 shall be made on or before the third of each month through February 1996. Payment for 1/24 of the base amount and the March 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996. For the period of April 1, 1996, through July 31, 1996, payment of the base amount shall be made on or before July 10, 1996, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1996 through December 1996 shall be made on or before the third of each month thereafter through December 31, 1996.~~

(e) ~~Monthly payments for the county share of county agency expenditures from January 1997 through March 1997 shall be made on or before the third of each month through March 1997. Payment for 1/24 of the base amount and the April 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997. For the period of May 1, 1997, through July 31, 1997, payment of the base amount shall be made on or before July 10, 1997, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1997 through December 1997 shall be made on or before the third of each month thereafter through December 31, 1997.~~

(f) ~~Monthly payments for the county share of county agency expenditures from January 1998 through April 1998 shall be made on or before the third of each month through April 1998. Payment for 1/24 of the base amount and the May 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, 1998. For the period of June 1, 1998, through July 31, 1998, payment of~~

the base amount shall be made on or before July 10, 1998, and payment of the growth amount over the base amount shall be made on or before the third of each month. Payments for the period August 1998 through December 1998 shall be made on or before the third of each month thereafter through December 31, 1998.

(g) Monthly payments for the county share of county agency expenditures from January 1999 through May 1999 shall be made on or before the third of each month through May 1999. Payment for 1/24 of the base amount and the June 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, 1999. For the period of June 4, 1999, through July 31, 1999, payment shall be made on or before July 10, 1999. Payments for the period August 1999 through December 1999 shall be made on or before the third of each month thereafter through December 31, 1999.

(h) Effective January 1, 2000, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 7. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION.] (a) An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity is annually appropriated from the general fund to the commissioner of revenue. *An amount sufficient to pay the aids and credits provided under this section for counties, cities, towns, and special taxing districts, except as provided under paragraph (b), is annually appropriated from the local government trust fund to the commissioner of revenue.*

(b) An amount sufficient to pay the aid provided under subdivision 5a to counties is appropriated 25 percent from the local government trust fund and 75 percent from the general fund in fiscal year 1993 and 100 percent from the general fund in fiscal year 1994 and thereafter.

Sec. 8. Minnesota Statutes 1990, section 290A.23, is amended to read:
290A.23 [APPROPRIATION.]

Subdivision 1. [RENTERS CREDIT.] There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required ~~by this chapter~~ under section 290A.04, subdivision 2a.

Subd. 2. [TARGETING AND HOMEOWNERS PROPERTY TAX REFUND.] *There is appropriated from the local government trust fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2 and 2h.*

Sec. 9. Minnesota Statutes 1991 Supplement, section 477A.012, subdivision 6, is amended to read:

Subd. 6. [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 district, 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. *No amount equivalent to the aid reduction under this paragraph shall be transferred from the local government trust fund to the general fund.*

Sec. 10. [477A.0121] [COUNTY CORRECTIONS AID.]

Subdivision 1. [PURPOSE.] County corrections aid is intended to reduce the reliance of county criminal justice and corrections programs and associated costs on local property taxes.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply:

(1) "population" means the population according to the most recent federal census, or according to the state demographer's most recent estimate if it has been issued subsequent to the most recent federal census; and

(2) "part one crimes" means the total number of part one crimes reported for each county by the department of public safety for the most recent year available.

Subd. 3. [FORMULA.] Each calendar year, the commissioner of revenue shall distribute county corrections aid to each county in an amount determined according to the following formula:

(1) one-half shall be distributed to each county in the same proportion that the county's population is to the population of all counties in the state; and

(2) one-half shall be distributed to each county in the same proportion that the county's part one crimes are to the total part one crimes for all counties in the state.

Subd. 4. [PAYMENT DATES.] The aid amounts for each calendar year shall be paid in two equal payments, on July 20 and December 26 of each year.

Sec. 11. Minnesota Statutes 1991 Supplement, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] 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. In calendar year years 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 the previous year under this subdivision less any permanent reductions made under section 477A.0132. *In 1993, 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 before any nonpermanent reductions made under section 477A.0132 plus \$1 per capita based on the town's population. In 1994, 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 1993 before nonpermanent reductions made under section 477A.0132 plus \$2 per capita based on the town's population. In 1995 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 1994 before any nonpermanent reductions made under section 477A.0132.*

Sec. 12. Minnesota Statutes 1991 Supplement, section 477A.013, subdivision 3. is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of

the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and ~~subsequent years~~ 1992, a city will receive an amount equal to the local government aid it received under this section in the previous year, less any permanent reductions made under section 477A.0132.

In 1993, a city will receive an amount equal to 102 percent of the local government aid it received under this section in 1992 before any nonpermanent reductions made under section 477A.0132. In 1994 and subsequent years, a city will receive an amount equal to 103 percent of the local government aid it received under this section in 1993 before any nonpermanent reductions made under section 477A.0132.

For aids payable in 1990, 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. For purposes of this subdivision, the term "local government aid" does not include equalization aid amounts under subdivision 5.

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~~ 26 annually.

The commissioner may pay all or part of the payment due on December ~~15~~ 26 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. [1992 REGIONAL TRANSIT BOARD AID.]

Notwithstanding Minnesota Statutes, section 473.446, subdivision 1, paragraph (3), for aids relating to taxes payable in 1992, no aid shall be paid to the regional transit board for aid that was not used to reduce the levy extended against individual parcels as the result of an auditor's errors.

Sec. 15. [CITY OF ALDEN; LOCAL GOVERNMENT AID.]

For aid payments in 1993 and thereafter, local government aid to the city of Alden, Freeborn county, as determined under Minnesota Statutes, sections 477A.013 and 477A.0132, is increased by \$838. These amounts reimburse the city for state aid decreases attributable to an error in the city's 1990 levy, payable in 1991.

If local government aid provisions are enacted in 1992 or thereafter which do not use the city's 1990 levy as a base year to determine local government aids, this section does not apply to those aids.

The commissioner of revenue shall pay the local government aid under this section from the amounts appropriated to the commissioner by law from the local government trust fund for payment of local government aid. For purposes of any proportional increases or decreases in local government

aid under Minnesota Statutes, section 16A.711, due to the amount of funds in the local government trust fund, payments under this section must be included in local government aid payable to the city of Alden.

Sec. 16. [LOCAL APPROVAL; EFFECTIVE DATE.]

Section 15 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Alden.

Sec. 17. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 3.862; and Laws 1991, chapter 291, article 2, section 3, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1, 3, 4, 7, and 17 are effective on July 1, 1992. Sections 2, 5, 6, 8, and 12 are effective on July 1, 1993.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 1990, section 103B.241, is amended to read:

103B.241 [~~LEVY LEVIES.~~]

Subdivision 1. [WATERSHED PLANS.] A levy to pay the increased costs to a local government unit or watershed management organization of implementing sections 103B.231 and 103B.235 or to pay costs of improvements and maintenance of improvements identified in an approved and adopted plan shall be in addition to any other taxes authorized by law. Notwithstanding any provision to the contrary in chapter 103D, a watershed district may levy a tax sufficient to pay the increased costs to the district of implementing sections 103B.231 and 103B.235. The proceeds of any tax levied under this section shall be deposited in a separate fund and expended only for the purposes authorized by this section. Watershed management organizations and local government units may accumulate the proceeds of levies as an alternative to issuing bonds to finance improvements. ~~The amount authorized under this section and levied by a governmental subdivision is not exempt from sections 275.50 to 275.56.~~

Subd. 2. [PRIORITY PROGRAMS; SOIL AND WATER CONSERVATION DISTRICTS.] A county may levy amounts necessary to pay the reasonable increased costs to soil and water conservation districts of administering and implementing priority programs identified in an approved and adopted plan.

Sec. 2. Minnesota Statutes 1990, section 103B.255, is amended by adding a subdivision to read:

Subd. 13. [PROPERTY TAX LEVIES.] A metropolitan county may levy amounts necessary to administer and implement an approved and adopted groundwater plan. A county may levy amounts necessary to pay the reasonable increased costs to soil and water conservation districts and watershed management organizations of administering and implementing priority programs identified in the county's groundwater plan.

Sec. 3. Minnesota Statutes 1990, section 103B.335, is amended to read:

103B.335 [TAX; EXEMPTION FROM PER CAPITA LEVY LIMIT.]

Subdivision 1. [LOCAL WATER PLANNING AND MANAGEMENT.] The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 103B.301 to 103B.355. The amount of the levy up to ~~0.01813~~ percent of taxable market value is exempt from the per capita levy limit under section 275.11.

Subd. 2. [PRIORITY PROGRAMS: CONSERVATION AND WATERSHED DISTRICTS.] A county may levy amounts necessary to pay the reasonable increased costs to soil and water conservation districts and watershed districts of administering and implementing priority programs identified in an approved and adopted plan.

Sec. 4. Minnesota Statutes 1991 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), 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, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 274.19, subdivision 8, paragraph (f); 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 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: (i) land described in section 103G.005, subdivision 18; (ii) 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; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do 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~~ *individuals, couples, or families*. (ii) It has the purpose of reuniting families and enabling parents *or individuals* 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~~ *three* 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 owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by an organization that is one or more organizations 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 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.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) *Secondary containment areas used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, if required by the commissioner of agriculture under chapter 18B or 18C.*

(23) Photovoltaic devices, as defined in article 6, section 1, installed after January 1, 1992, and used to produce or store electric power.

(24) 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 for an ice arena or ice rink, and used primarily for youth and high school programs.

Sec. 5. Minnesota Statutes 1990, section 273.112, subdivision 1, is amended to read:

Subdivision 1. This section may be cited as the "Minnesota ~~open space~~ recreational property tax law."

Sec. 6. Minnesota Statutes 1990, section 273.112, subdivision 2, is amended to read:

Subd. 2. The present general system of ad valorem property taxation in the state of Minnesota does not provide an equitable basis for the taxation of certain private ~~outdoor~~ recreational, open space and park land property and has resulted in excessive taxes on some of these lands. Therefore, it is hereby declared that the public policy of this state would be best served by equalizing tax burdens upon private ~~outdoor~~, recreational, open space and park land within this state through appropriate taxing measures to encourage private development of these lands which would otherwise have to be provided by governmental authority.

Sec. 7. Minnesota Statutes 1990, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferral under this section only if it is:

(a) actively and exclusively devoted to golf, skiing, or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range or an establishment actively and exclusively devoted to indoor fitness, health, social, recreation, and related uses in which the establishment is owned and operated by a nonprofit corporation;

(c) (1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section.

Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

A golf club that has food or beverage facilities or services must allow equal access to those facilities and services for both men and women members in all membership categories at all times. Nothing in this paragraph shall be construed to require service or access to facilities to persons under the age of 21 years or require any act that would violate law or ordinance regarding sale, consumption, or regulation of alcoholic beverages.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 8. Minnesota Statutes 1990, section 273.112, subdivision 4, is amended to read:

Subd. 4. The value of any real estate described in subdivision 3 shall upon timely application by the owner, in the manner provided in subdivision 6, be determined solely with reference to its appropriate private ~~outdoor~~, recreational, open space and park land classification and value notwithstanding sections 272.03, subdivision 8, and 273.11. In determining such value for ad valorem tax purposes the assessor shall not consider the value such real estate would have if it were converted to commercial, industrial, residential or seasonal residential use.

Sec. 9. Minnesota Statutes 1991 Supplement, 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 a relative shown on the deed as a coowner, the assessor shall allow a full homestead classification. Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, spouse, grandparent, grandchild, brother, sister, uncle, or aunt. This relationship may be by blood or marriage. Property that was classified as seasonal recreational residential property at the time of its acquisition does not qualify as a homestead under this paragraph for the first two assessment years beginning after the date of acquisition; this delay also applies to property that, in the absence of this paragraph, would have been classified as seasonal recreational residential property at the time when the residence was constructed. The owner of the property may not claim a property tax refund under chapter 290A for a homestead occupied by a relative.~~

~~(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 related to each other as parents and children or as stepparents and stepchildren, 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.~~

Sec. 10. Minnesota Statutes 1991 Supplement, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1990, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, and has received public financing, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the social security numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) ~~the cooperative must meet one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 80 percent of area median income, (2) a minimum of 40 percent of the cooperative association's members must have incomes at or less than 60 percent of area median gross income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income as defined in section 273.1318.~~ For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership; and "median income" means the St. Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) 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 have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property. For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the articles of incorporation

and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed: ~~and~~

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision-:

(i) the public financing received must be from at least one of the following sources:

(1) tax increment financing proceeds used for the acquisition or rehabilitation of the building or interest rate writedowns relating to the acquisition of the building;

(2) government issued bonds exempt from taxes under section 103 of the Internal Revenue Code of 1986, as amended through December 31, 1991, the proceeds of which are used for the acquisition or rehabilitation of the building;

(3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing Act;

(4) rental housing program funds under Section 8 of the United States Housing Act of 1937 or the market rate family graduated payment mortgage program funds administered by the Minnesota housing finance agency that are used for the acquisition or rehabilitation of the building;

(5) low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(6) public financing provided by a local government used for the acquisition or rehabilitation of the building, including grants or loans from the following sources:

(i) federal community development block grants;

(ii) HOME block grants; or

(iii) residential rental bonds issued under chapter 474A; or

(7) other rental housing program funds provided by the Minnesota housing finance agency for the acquisition or rehabilitation of the building;

(j) at the time of the initial request for homestead classification or of any transfer of ownership of the property, the governing body of the municipality in which the property is located must hold a public hearing and make the following findings:

(1) that the granting of the homestead treatment of the apartment's units will facilitate safe, clean, affordable housing for the cooperative members that would otherwise not be available absent the homestead designation;

(2) that the owner has presented information satisfactory to the governing body showing that the savings garnered from the homestead designation of the units will be used to reduce tenant's rents or provide a level of furnishing or maintenance not possible absent the designation; and

(3) that the requirements of paragraphs (b), (d), and (i) have been met; and

(k) in the case of property that is classified as nonhomestead residential property under section 273.13 at the time when the cooperative association

claims reclassification of the property as a leasehold cooperative, the governing body of the municipality in which the property is located must make a finding that the reclassification will not substantially impair the ability of the municipality or any agency of the municipality to meet its debt service obligations on any bonds or other debt outstanding at the time of the request for reclassification.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 11. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$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 \$72,000 but does not exceed \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds \$115,000 has a class rate of 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) 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

(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 lakeshore 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 ~~.8 percent of the first \$32,000 of market value and one percent of market value in excess of \$32,000 for taxes payable in 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. 12, Minnesota Statutes 1991 Supplement, section 273.13, subdivision 25, as amended by Laws 1992, chapter 363, article 1, section 12, subdivision 1, 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 3.5 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 2.8 percent of market value for taxes payable in 1992, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(i) situated on real property that is (A) used for housing 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 or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency, handicapped persons, or individuals meeting the requirements of section 273.1318, subdivision 1, paragraph (c), clause (2), and (B) financed by a direct federal loan or federally insured loan made pursuant to Title II of the National Housing Act; or

(ii) situated on real property that is (A) 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 adopted by the agency pursuant thereto, handicapped persons, or individuals meeting the requirements of section 273.1318, subdivision 1, paragraph (c), clause (2), and (B) 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, 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 Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, 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 Laws 1991, chapter 291, article 1, section 55. 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 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 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. *Owners of real property devoted to temporary and seasonal residential occupancy for recreation purposes and all or a portion of which was devoted to commercial purposes for not more than 250 days in the second year preceding the year of assessment desiring classification as class 1c or 4c must submit a declaration to the assessor designating the cabins or units occupied for 250 days or less in the second year preceding the year of assessment by December 15 of the year preceding the assessment. Those cabins or units and a proportionate share of the land on which they are located will be designated class 1c or 4c as otherwise provided. The remainder of the cabins or units and a proportionate share of the land on which they are located will be designated as class 3a. The first \$100,000 of the market value of the remainder of the cabins or units and a proportionate share of the land on which they are located shall have a class rate of three percent. The owner of property desiring designation as class 1c or 4c property must provide guest registers or other records demonstrating that the units for which class 1c or 4c designation is sought were not occupied for more than 250 days in the second year preceding the assessment if so requested. The portion of a property operated as a (1) restaurant, (2) bar, (3) gift shop, and (4) other nonresidential facility operated on a commercial basis not directly related to temporary and seasonal residential occupancy for recreation purposes shall not qualify for class 1c or 4c;*

(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, 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 seasonal residential recreational property not used for commercial purposes under clause (5) has a class rate of 2.2 percent of market value for taxes payable in 1992, and for taxes payable in 1993 and thereafter, the first \$72,000 of market value has a class rate of two percent and the market value that exceeds \$72,000 has a class rate of 2.5 percent, *and manufactured home parks assessed under clause (8) have a class rate of two percent.*

(d) Class 4d property includes:

(1) a structure that is:

(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~~, *handicapped persons, or individuals meeting the requirements of section 273.1318, subdivision 1, paragraph (c), clause (2);*

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons ~~or low and moderate income families as defined in the applicable laws~~ *to units meeting the requirements of section 273.1318 unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.*

(2) For taxes payable in 1992, 1993 and 1994, only, 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. To qualify under this clause, 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 assessor to determine qualification under this clause.

~~(3) For taxes payable in 1992, 1993 and 1994, only, 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 clause, "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 under this clause, 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 clause. Property qualifying under this clause in 1992, 1993, or 1994 continues to receive a two percent class rate until the five-year lease has expired provided that the property continues to be used for the purposes as described in this clause. Qualifying buildings and appurtenances, together with the land upon which they are located, leased for a period of up to five years by the occupant under a lease-purchase program administered by the Minnesota housing finance agency or a housing and redevelopment authority authorized under sections 469.001 to 469.047, provided the occupant's income is no greater than 80 percent of the county or area median income, adjusted for family size and the building consists of two or less dwelling units. The lease agreement must provide for a portion of the lease payment to be escrowed as a nonrefundable down payment on the housing. The administering agency shall verify the occupants income eligibility and certify to the county assessor that the occupant meets the income criteria under this paragraph. To qualify under this clause, the taxpayer must apply to the county assessor by May 30 of each year. For purposes of this section, "qualifying buildings and appurtenances" shall be defined as one or two unit residential buildings which are unoccupied and have been abandoned and boarded for at least six months.~~

Class 4d property has a class rate of two percent of market value.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (3); 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. 13. [273.1318] [CLASS 4C LOW-INCOME HOUSING; ELIGIBLE UNITS.]

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)(P) of the Internal Revenue Code.

(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1991.

(c) "Low-income units" means units that (1) are rent restricted as defined in section 42(g)(2) of the Internal Revenue Code; (2) occupied by individuals whose income is 80 percent or less of area median gross income; and (3) meet the requirements of section 42(i)(3)(B), (C), and (D), of the Internal Revenue Code.

(d) "Rent restricted" means rent restricted units as defined and limited by section 42(g)(2) of the Internal Revenue Code.

Subd. 2. [ANNUAL DETERMINATION.] A governmental agency providing financing or mortgage insurance for a building qualifying for class 4c or 4d or other entity must annually review income records maintained by the owner of the property to determine the units that qualify for a class 4c or 4d rate under this section. If the entity is not a governmental agency, the entity must be approved by the department of revenue. The agency or other entity shall report to the assessor responsible for assessing the property at the time and in the manner required by the assessor. The income records must be made available to the assessor. The assessor shall determine the units that qualify for a class 4c or 4d rate.

Sec. 14. Minnesota Statutes 1990, section 274.19, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOMES: SECTIONAL STRUCTURES.]

(a) In this section, "manufactured home" means a structure transportable in one or more sections, which is built on a permanent chassis, and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and contains the plumbing, heating, air conditioning, and electrical systems in it. "Manufactured home" includes any accessory structure that is an addition or supplement to the manufactured home and, when installed, becomes a part of the manufactured home.

(b) A manufactured home that meets each of the following criteria must be valued and assessed as an improvement to real property, the appropriate real property classification applies, and the valuation is subject to review and the taxes payable in the manner provided for real property:

(1) the owner of the unit holds title to the land on which it is situated;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured home building code in sections 327.31 to 327.34, and rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(c) A manufactured home that meets each of the following criteria must be assessed at the rate provided by the appropriate real property classification but must be treated as personal property, and the valuation is subject to review and the taxes payable in the manner provided in this section:

(1) the owner of the unit is a lessee of the land under the terms of a lease;

(2) the unit is affixed to the land by a permanent foundation or is installed at its location in accordance with the manufactured homes building code

contained in sections 327.31 to 327.34, and the rules adopted under those sections, or is affixed to the land like other real property in the taxing district; and

(3) the unit is connected to public utilities, has a well and septic tank system, or is serviced by water and sewer facilities comparable to other real property in the taxing district.

(d) Sectional structures must be valued and assessed as an improvement to real property if the owner of the structure holds title to the land on which it is located or is a qualifying lessee of the land under section 273.19. In this paragraph "sectional structure" means a building or structural unit that has been in whole or substantial part manufactured or constructed at an off-site location to be wholly or partially assembled on-site alone or with other units and attached to a permanent foundation.

(e) The commissioner of revenue may adopt rules under the administrative procedure act to establish additional criteria for the classification of manufactured homes and sectional structures under this subdivision.

(f) A storage shed, deck, or similar improvement constructed on property that is leased or rented as a site for a manufactured home, sectional structure, park trailer, or travel trailer is taxable as provided in this section. The property is taxable as personal property to the lessee of the site if it is not owned by the owner of the site. The property is taxable as real estate if it is owned by the owner of the site. As a condition of permitting the owner of the manufactured home, sectional structure, park trailer, or travel trailer to construct improvements on the leased or rented site, the owner of the site must obtain the permanent home address of the lessee or user of the site. The site owner must provide the name and address to the assessor upon request.

Sec. 15. Minnesota Statutes 1991 Supplement, section 277.17, is amended to read:

277.17 [ESCROW ACCOUNT 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~~ *may* 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~~ *may* establish a tax escrow account for delinquent property taxes for ~~each an owner receiving a letter who receives a notice~~ under subdivision 1. *If an escrow account is established for an owner who receives a notice regarding taxes due August 31, the owner 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. *If an escrow account is established for an owner who receives a notice regarding taxes due November 15, the owner 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~~ *notice* from the county auditor under subdivision 2, 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 277.20 with respect to the manufactured home for which the property taxes are being paid into the escrow account.

Sec. 16. Minnesota Statutes 1991 Supplement, 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 and 1994, and (2) 90 percent of the amount of the increase over ten percent plus \$250 for taxes payable in 1990 and 1991, and 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.

In the case of increases in property taxes payable in 1993 and thereafter, the refund allowed under this subdivision for claimants with household incomes in excess of \$60,000 shall be reduced as follows:

<i>Household Income</i>	<i>Reduction:</i>
<i>\$60,001 to \$65,000</i>	<i>5 percent</i>
<i>65,001 to 70,000</i>	<i>10 percent</i>
<i>70,001 to 80,000</i>	<i>20 percent</i>
<i>80,001 to 90,000</i>	<i>30 percent</i>
<i>90,001 to 100,000</i>	<i>40 percent</i>
<i>100,001 to 110,000</i>	<i>50 percent</i>
<i>110,001 to 120,000</i>	<i>60 percent</i>
<i>120,001 to 130,000</i>	<i>70 percent</i>
<i>130,001 to 140,000</i>	<i>80 percent</i>
<i>140,001 to 150,000</i>	<i>90 percent</i>

over \$150,000

100 percent

(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; 273.135; 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
1993	\$ 6,000,000 \$4,500,000
1994	\$ 5,500,000 \$4,000,000

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

Sec. 17, Minnesota Statutes 1991 Supplement, 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.

The county auditor shall notify the commissioner of revenue of all abatements resulting from the erroneous classification of real property, for tax purposes, as nonhomestead property. For the abatements relating to the current year's tax processed through June 30, the auditor shall notify the commissioner on or before July 31 of that same year of all abatement applications granted. For the abatements relating to the current year's tax processed after June 30 through the balance of the year, the auditor shall notify the commissioner on or before the following January 31 of all applications granted. The county auditor shall submit a form containing the social security number of the applicant and such other information the commissioner prescribes.

Sec. 18. Minnesota Statutes 1990, section 381.12, subdivision 2, is amended to read:

Subd. 2. ~~[EXPENSE, TAX LEVY.] For the purpose of defraying the expense incurred, or to be incurred in the preservation and restoration of monuments under this section:~~ The county board of any county may levy a tax upon all the taxable property in the county for the purpose of defraying the expense incurred, or to be incurred for:

- (1) the preservation and restoration of monuments under this section;
- (2) the preservation or establishment of control monuments for mapping activities;
- (3) the modernization of county land records through the use of parcel-based land management systems; or
- (4) the establishment of geographic (GIS), land (LIS), management (MIS) information systems.

Sec. 19. Minnesota Statutes 1990, section 473.711, subdivision 2, is amended to read:

Subd. 2. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding the property tax levy limitation determined in this subdivision. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed the property tax levy limitation determined in this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections 473.701 to 473.716 but the sum of the county's and commission's taxes may not exceed the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total net tax capacity to the total net tax capacity of the entire district as adjusted

by section 270.12, subdivision 3. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito, disease vectoring tick, and black gnat (*Simuliidae*) control except under sections 473.701 to 473.716. The levy shall be in addition to other taxes authorized by law and shall be disregarded in the calculation of limits on taxes imposed by chapter 275.

The property tax levied by the metropolitan mosquito control commission shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of six-tenths on one mill multiplied by the total assessed valuation of all taxable property located within the district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the commission's property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the district divided by the assessment year 1987 total market valuation of all taxable property located within the district; and~~

~~(c) for taxes payable in 1990 and subsequent years, the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year.~~

For the purpose of determining the commission's property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425) .00455 of tax capacity for property taxes payable in 1993 and subsequent years.

Sec. 20. Minnesota Statutes 1990, section 473.714, is amended to read:

473.714 [COMPENSATION OF COMMISSIONERS.]

Subdivision 1. [COMPENSATION.] *Except as provided in subdivision 2,* each commissioner, including the officers of the commission shall be reimbursed for actual and necessary expenses incurred in the performance of duties. The chair shall be paid a per diem for attending meetings, monthly, executive, and special, and each commissioner shall be paid a per diem for attending meetings, monthly, executive, and special, which per diem shall be established by the commission; ~~such expense reimbursement and per diem notwithstanding any other funds which such commissioners may receive from any other public body.~~ *A commissioner who receives a per diem from the commissioner's county shall not be paid a per diem for the same day by the commission for attending meetings of the commission.* The annual budget of the commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair or

members only when budgeted.

Subd. 2. [CERTAIN COMMISSIONERS.] A commissioner whose annual public salary is \$25,000 or more shall only be reimbursed for expenses related to travel.

Sec. 21. Minnesota Statutes 1990, section 488A.20, subdivision 4, is amended to read:

Subd. 4. [DISPOSITION OF FINES, FEES AND OTHER MONEYS; ACCOUNTS.] (a) Except as otherwise provided herein and except as otherwise provided by law, the administrator shall pay to the Ramsey county treasurer all fines and penalties collected by the administrator, all fees collected for administrator's services, all sums forfeited to the court as hereinafter provided, and all other moneys received by the administrator.

(b) The administrator of court shall for each fine or penalty, provide the county treasurer with the name of the municipality or other subdivision of government where the offense was committed and the total amount of the fines or penalties collected for each such municipality or other subdivision of government.

(c) The state of Minnesota and any governmental subdivision within the jurisdictional area of the municipal court herein established may present cases for hearing before said municipal court. In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town in Ramsey county, all fines, penalties and forfeitures collected shall be paid over to the county treasurer except where a different disposition is provided by law, and the following fees shall be taxed to the state or governmental subdivision other than a city or town within Ramsey county which would be entitled to payment of the fines, forfeitures or penalties in any case, and shall be paid to the administrator of the court for disposing of the matter. The administrator shall deduct the fees from any fine collected for the state of Minnesota or a governmental subdivision other than a city or town within Ramsey County and transmit the balance in accordance with the law, and the deduction of the total of the fees each month from the total of all the fines collected is hereby expressly made an appropriation of funds for payment of the fees:

(1) In all cases where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without a trial \$5

(2) In arraignments where the defendant waives a preliminary examination \$10

(3) In all other cases where the defendant stands trial or has a preliminary examination by the court \$15

(4) The court shall have the authority to waive the collection of fees in any particular case.

(d) At the beginning of the first day of any month, the amount in the hands of the administrator which is owing to any municipality or county shall not exceed \$5,000.

(e) On or before the last day of each month, the county treasurer shall pay over to the *treasurer of the city of St. Paul two-thirds and to the treasurer of*

each *other* municipality or subdivision of government in Ramsey county one-half of all fines or penalties collected during the previous month from those imposed for offenses committed within ~~such~~ *the treasurer's* municipality or subdivision of government in violation of a statute, an ordinance, charter provision, rule or regulation of a city. All other fines and forfeitures and all fees and costs collected by the county municipal court shall be paid to the treasurer of Ramsey county who shall dispense the same as provided by law.

(f) Amounts represented by checks issued by the administrator or received by the administrator which have not cleared by the end of the month may be shown on the monthly account as having been paid or received, subject to adjustment on later monthly accounts.

(g) The administrator may receive negotiable instruments in payment of fines, penalties, fees, or other obligations as conditional payments, and is not held accountable therefor but if collection in cash is made and then only to the extent of the net collection after deduction of the necessary expense of collection.

Sec. 22. [ADJUSTMENTS TO LEVY LIMITS.]

If the repeal of Minnesota Statutes, sections 275.50 to 275.58, is delayed or is reenacted by a law enacted in the 1992 legislative session, the commissioner of revenue shall adjust the payable 1993 levy limitations for the city of St. Paul and Ramsey county. The commissioner shall decrease St. Paul's levy limitation by an amount equal to the estimated increase in revenue which the city will be receiving in calendar year 1993 based upon the change in the distribution of fines or penalties under Minnesota Statutes, section 488A.20, subdivision 4. The commissioner shall increase Ramsey county's levy limitation by an amount equal to the estimated loss in revenue to Ramsey county in calendar year 1993 resulting from the change in distribution of fines or penalties under section 488A.20, subdivision 4. For purposes of the levy limit adjustments made under this section, collections estimated in Ramsey county's 1992 adopted budget will be used to determine the revenue loss to the county and the revenue gain to the city. This adjustment will be a permanent levy limit base adjustment for taxes payable in 1994 and subsequent years. The amounts shall be certified to the commissioner of revenue by the Ramsey county court administrator on or before June 1, 1992.

Sec. 23. [REPAYMENT.]

The city of St. Paul shall repay to Ramsey county an amount equal to the difference between the payments it receives under section 21 from July 1, 1992, to December 31, 1992. That amount, plus interest, must be paid over 12 equal monthly installments beginning January 31, 1993. Interest will be accrued at the average rate of return for Ramsey county's portfolio of general investments as determined by the manager of the revenue division of the Ramsey county department of taxation and records administration, using the county's normal method of calculating investment earnings on monthly balances.

Sec. 24. [HOMESTEAD MAINTAINED AFTER SEPARATION OR DIVORCE.]

The principal residence of a qualified individual as defined in this subdivision must be classified as a homestead. As used in this subdivision, a qualified individual is a person who:

(1) has occupied a property as the person's principal residence for a period

of 20 years or longer while married to the owner of the property who claimed it as a homestead;

(2) has not claimed any other residence as a homestead during the period of occupancy of the property described in clause (1); and

(3) provides evidence to the assessor of intent and actions taken to acquire ownership of the property.

Sec. 25. [WATERSHED DISTRICT LEVIES.]

(a) The Nine Mile Creek watershed district, the Riley-Purgatory Bluff Creek watershed district, the Minnehaha Creek watershed district, the Coon Creek watershed district, and the Lower Minnesota River watershed district may levy in 1992 and thereafter a tax not to exceed \$200,000 on property within the district for the administrative fund. The administrative fund shall be used for the purposes contained in Minnesota Statutes, section 103D.905, subdivision 3. The board of managers shall make the levy for the administrative fund in accordance with Minnesota Statutes, section 103D.915.

(b) The Wild Rice watershed district may levy, for taxes payable in 1993, 1994, 1995, 1996, and 1997, an ad valorem tax not to exceed \$200,000 on property within the district for the administrative fund. The additional \$75,000 above the amount authorized in Minnesota Statutes, section 103D.905, subdivision 3, must be used for costs incurred in connection with cost-sharing projects with the United States Army Corps of Engineers. The board of managers shall make the levy for the administrative fund in accordance with Minnesota Statutes, section 103D.915.

Sec. 26. [CITY OF OTSEGO; EXCESS LEVY PENALTY ABATEMENT.]

The excess levy amount of \$63,707, levied in 1990, for taxes payable in 1991, by the city of Otsego, Wright county, is exempt from the penalties imposed under Minnesota Statutes, sections 275.51, subdivision 4, and 275.55.

This section is effective the day after approval by the Otsego city council and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 27. [KANABEC COUNTY; HISTORICAL SOCIETY LEVY.]

Subdivision 1. [LEVY AUTHORIZED.] Kanabec county may levy up to \$50,000 each year on property in the county and use the proceeds of the levy for the county historical society. This amount is a special levy and is not subject to any general levy limitations in Minnesota Statutes.

Subd. 2. [REFERENDUM.] If the governing body of Kanabec county intends to exercise the authority provided by this section, it shall conduct a referendum on the issue. The question of levying the tax must be submitted to the voters. The tax may not be levied unless a majority of votes cast on the question of imposing the levy 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 general election. If the referendum passes, the authority of the county board to levy this tax shall expire at the end of the fourth tax year following the referendum, and the question of whether to reauthorize the levy shall be resubmitted to the voters every fourth year.

Sec. 28. [TAX INCREMENT; FISCAL DISPARITIES.]

Notwithstanding the provisions of Minnesota Statutes, section 469.177, subdivision 3, paragraph (c), the governing body of the city of Richfield may change its election of a method for computing tax increment for the tax increment financing district certified on December 5, 1985, and known as the Interstate, Lyndale, Nicollet District. The governing body may change its election from the computation in Minnesota Statutes, section 469.177, subdivision 3, paragraph (b), to the computation in Minnesota Statutes, section 469.177, subdivision 3, paragraph (a), or the alternative method described in section 29.

Sec. 29. [ALTERNATIVE CALCULATION METHOD.]

Pursuant to the election authorized in section 28, the governing body of the city of Richfield may elect the following method of computation:

(1) The original net tax capacity must be determined before the application of the fiscal disparity provisions of Minnesota Statutes, chapter 473F. The current net tax capacity must exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by a ratio that is less than the fiscal disparity ratio determined pursuant to Minnesota Statutes, section 473F.08, subdivision 6. The ratio, which must be a percentage of the fiscal disparity ratio, must be determined by the governing body and must remain in effect during the term of the district. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination.

(2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax capacity rates. The tax capacity rates so determined must be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the lesser of (i) the local taxing district tax capacity rates or (ii) the original tax capacity rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

Sec. 30. [HENNEPIN COUNTY; PROPERTY TAX EXEMPTION.]

Subdivision 1. [EXEMPTION.] Notwithstanding the time requirements of Minnesota Statutes, section 272.02, subdivision 4, paragraph (b), for taxes levied in 1991, payable in 1992, the governing body of Hennepin county may grant a property tax exemption for property that (1) meets the requirements of exempt property under Minnesota Statutes, section 272.02, subdivision 4, paragraph (b), except for the August 1 date; (2) was an athletic facility classified as class 3 commercial and industrial property on January 2, 1991; and (3) was acquired during 1991 by a church.

Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Hennepin county.

Sec. 31. [INSTRUCTION TO REVISOR.]

If the repeal of Minnesota Statutes, section 275.50, subdivision 5a, is delayed or the subdivision is reenacted by a law enacted in 1992, in the next edition of Minnesota Statutes, the revisor of statutes shall codify the special levy under section 27 in Minnesota Statutes, section 275.50, subdivision 5a.

Sec. 32. [REPEALER.]

(a) Minnesota Statutes 1991 Supplement, section 47.209, is repealed.

(b) Minnesota Statutes 1991 Supplement, section 273.124, subdivision 15, is repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 9, 11 to 14, 18, 25, and 32, paragraph (b), are effective for taxes levied in 1992, payable in 1993, and thereafter provided that the exemption for photovoltaic devices in section 4, clause (23), is effective only for taxes payable in 1993 through 1997.

Section 10 is effective the day following final enactment, and applies to property taxes payable in 1993 and thereafter by property for which leasehold cooperative status had been claimed before or after the effective date.

Section 17 is effective for abatements granted in 1992 and thereafter.

Section 21 is effective for collections made July 1, 1992, and thereafter.

Section 24 is effective for taxes payable in 1991, 1992, and 1993 only.

Section 32, paragraph (a), is effective the day following final enactment.

ARTICLE 3

PROPOSED AND FINAL TAX NOTICES

Section 1. Minnesota Statutes 1991 Supplement, 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~~ *September 1*, ~~1989, and October 1~~ *thereafter* of the year preceding the distribution year to the county auditor of the affected local government. 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. 2. Minnesota Statutes 1991 Supplement, section 275.065, subdivision 1, is amended to read:

Subdivision 1. [PROPOSED LEVY.] Notwithstanding any law or charter to the contrary, on or before ~~September 15~~, each taxing authority, other than a school district, shall adopt a proposed budget and each taxing authority shall certify to the county auditor the proposed or, in the case of a town, the final property tax levy for taxes payable in the following year. If the board of estimate and taxation or any similar board that establishes maximum tax levies for taxing jurisdictions within a first class city certifies the maximum property tax levies for funds under its jurisdiction by ~~charter to the county auditor by September 15~~, the city shall be deemed to have certified its levies for those taxing jurisdictions. For purposes of this section, "taxing authority" includes all home rule and statutory cities, towns, counties,

school districts, and special taxing districts. The commissioner of revenue shall determine what constitutes a special taxing district for purposes of this section. Intermediate school districts that levy a tax under chapter 136D, joint powers boards established under sections 124.491 to 124.495, and common school districts No. 323, Franconia, and No. 815, Prinsburg, are special taxing districts for purposes of this section.

Sec. 3. Minnesota Statutes 1990, section 275.065, subdivision 1a, is amended to read:

Subd. 1a. [OVERLAPPING JURISDICTIONS.] In the case of a taxing authority lying in two or more counties, the home county auditor shall certify the proposed levy and the proposed local tax rate to the other county auditor by September 20 ~~for taxes levied in 1990, and thereafter, and the proposed local tax rate by September 5 for taxes levied in 1991, and thereafter, for counties containing a city of the first class.~~ The home county auditor must estimate the levy or rate in preparing the notices required in subdivision 3, if the other county has not certified the appropriate information. If requested by the home county auditor, the other county auditor must furnish an estimate to the home county auditor.

Sec. 4. Minnesota Statutes 1991 Supplement, 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~~ *after* November 10 ~~and on or before November 24~~ 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.

~~(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 current school year to the immediately 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. *The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;*

(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)~~ (e) 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;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

~~(g)~~ (f) 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)~~ (g) 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 27 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. 5. Minnesota Statutes 1990, section 275.065, subdivision 4, is amended to read:

Subd. 4. [COSTS.] If the reasonable cost of the county auditor's services and the cost of preparing and mailing the notice required in this section exceed the amount distributed to the county by the commissioner of revenue to administer this section, the taxing authority must reimburse the county for the excess cost. The excess cost must be apportioned between taxing jurisdictions as follows:

- (1) one-third is allocated to the county;
- (2) one-third is allocated to cities and towns within the county; and
- (3) one-third is allocated to school districts within the county.

The amounts in clause (2) must be further apportioned among the cities and towns in the proportion that the ~~population~~ *number of parcels in the city and town bears to the population number of parcels in all the cities and towns within the county.* The amount in clause (3) must be further apportioned among the school districts in the proportion that the number of ~~pupils~~ *parcels in the school district bears to the number of pupils parcels in all school districts within the county.*

Sec. 6. Minnesota Statutes 1991 Supplement, 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, 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 first headline in the advertisement stating the notice of proposed property taxes and the notice of public hearing must be in a type no smaller than 14-point, and the second headline must be in a type no smaller than 12-point.* The text of the advertisement must be no smaller than ~~12-point~~ *10-point*, except that the property tax amounts and percentages may be in ~~10-point~~ *9-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 first headline 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, and~~

the second headline must be in a type no smaller than 22-point. The text of the advertisement must be no smaller than ~~22-point~~ 14-point, except that the property tax amounts and percentages may be in ~~14-point~~ 12-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 may include references to the current 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. 7, Minnesota Statutes 1991 Supplement, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING: ADOPTION OF BUDGET AND LEVY.] Between November 15 29 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 124.82, subdivision 3, 124A.03, subdivision 2, or 124B.03, subdivision 2, 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;

(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; and

(7) if not included in the certified levy, any additional amount levied pursuant to section 275.51, subdivision 7, paragraph (b).

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 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 governing body of a county shall hold its hearing on the first Tuesday in December each year.* The county auditor shall provide for the coordination of hearing dates for all ~~taxing authorities~~ *cities and school districts* 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 *the county hearing dates or with those elected by or assigned to the counties and* school districts in which the city is located.

~~The county hearing dates so elected or assigned and the city and school district hearing dates~~ must be designated on the notices required under subdivision 3. *The continuation dates need not be stated on the notices.*

This subdivision does not apply to towns and special taxing districts.

Sec. 8. Minnesota Statutes 1990, section 275.125, subdivision 10, is amended to read:

Subd. 10. [CERTIFICATION OF LEVY LIMITATIONS.] ~~By August 15~~ *September 1*, the commissioner shall notify the school districts of their levy limits. The commissioner shall certify to the county auditors the levy limits for all school districts headquartered in the respective counties together with adjustments for errors in levies not penalized pursuant to subdivision 15 as well as adjustments to final pupil unit counts.

A school district may require the commissioner to review the certification and to present evidence in support of modification of the certification.

The county auditor shall reduce levies for any excess of levies over levy limitations pursuant to section 275.16. Such reduction in excess levies may, at the discretion of the school district, be spread over two calendar years.

Sec. 9. [REPEALER.]

Minnesota Statutes 1990, section 275.065, subdivision 1b, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 2 to 7 and 9 are effective for taxes levied in 1992, payable in 1993, and thereafter. Sections 1 and 8 are effective for aids paid in 1993 and thereafter.

ARTICLE 4

PROPERTY TAXES: ADMINISTRATIVE AND TECHNICAL

Section 1. Minnesota Statutes 1991 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] 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 \$916,000,000 for fiscal year 1993 and \$961,800,000 for fiscal year 1994 and later 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~~ established.

Sec. 2. Minnesota Statutes 1990, section 270.075, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall determine the rate of tax to be levied and collected against the net tax capacity as determined pursuant to section 270.074, subdivision 2, to generate revenues of ~~\$7,500,000 from taxes levied in assessment year 1987 and payable in 1988 and revenues of \$7,900,000 from taxes levied in 1988 and payable in 1989. Thereafter the legislature shall annually establish the amount of revenue to be generated from a tax on sufficient to fund the~~ *airflight property tax portion of each year's state airport fund appropriation, as certified to the commissioner by the commissioner of transportation. The property tax portion of the state airport fund appropriation is the difference between the total fund appropriation and the estimated total fund revenues from other sources for the state fiscal year in which the tax is payable. If a levy amount has not been certified by September 1 of a levy year, the commissioner shall use the last previous certified amount to determine the rate of tax.*

Sec. 3. Minnesota Statutes 1990, section 273.1104, subdivision 1, is amended to read:

Subdivision 1. The term value as applied to iron ore in sections 273.165, subdivision 2, and 273.13, subdivision 31, shall be deemed to be ~~three times~~ *the present value of future income or the minimum value as established by the commissioner notwithstanding the provisions of section 273.11. The present value of future income shall be determined by the commissioner of revenue in accordance with professionally recognized mineral valuation practice and procedure. Nothing contained herein shall be construed as requiring any change in the method of determining present value of iron ore utilized by the commissioner prior to the enactment hereof or as limiting any remedy presently available to the taxpayer in connection with the commissioner's determination of present value, or precluding the commissioner from making subsequent changes in the present worth formula.*

Sec. 4. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$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 \$72,000 but does not exceed \$115,000 has a class rate of two percent of its market value; and the market value of class 1a property that exceeds \$115,000 has a class rate of 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) 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

(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~~ 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 .8 percent of the first \$32,000 of market value and one percent of market value in excess of \$32,000 for taxes payable in 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. 5. Minnesota Statutes 1991 Supplement, section 273.13, subdivision 25, as amended by Laws 1992, chapter 363, article 1, section 12, subdivision 1, 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 3.5 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 2.8 percent of market value for taxes payable in 1992, 2.5 percent of market value for taxes payable in 1993, and 2.3 percent of market value for taxes payable in 1994 and thereafter.

(c) Class 4c property includes:

(1) a structure that is:

(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 or the Minnesota housing finance agency law of 1971, *as amended*, or rules promulgated by the agency 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 adopted 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, 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 Laws 1991, chapter 291, article 1, section 55. If the owner of the property elects to have the market value determined on the basis of the actual restricted rents, as provided in Laws 1991, chapter 291, article 1, section 55, 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 Laws 1991, chapter 291, article 1, section 55. 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 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 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, 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 *each parcel* of seasonal residential recreational property not used for commercial purposes under clause (5) has a class rate of 2.2 percent of market value for taxes payable in 1992, and for taxes payable in 1993 and thereafter, the first \$72,000 of market value *on each parcel* has a class rate of two percent and the market value *of each parcel* that exceeds \$72,000 has a class rate of 2.5 percent.

(d) Class 4d property includes:

(1) a structure that is:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the Farmers Home Administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the Farmers Home Administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

The class rates in paragraph (c), clauses (1), (2), and (3) and this clause apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) For taxes payable in 1992, 1993 and 1994, only, 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. To qualify under this clause, 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 assessor to determine qualification under this clause.

(3) For taxes payable in 1992, 1993 and 1994, only, 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 55~~ *Federal Register* 49489. As used in this clause, "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 under this clause, 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 clause. Property qualifying under this clause in 1992, 1993, or 1994 continues to receive a two percent class rate until the five-year lease has expired provided that the property continues to be used for the purposes as described in this clause.

Class 4d property has a class rate of two percent of market value.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (3); 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. 6. 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 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.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section

273.134, 57 percent of the tax, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 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.

(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~~ \$72,000 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. 7, 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 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. 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 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.

(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~~ \$72,000 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. 8. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 7, is amended to read:

Subd. 7. [APPROPRIATION.] An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity is annually appropriated from the general fund to the commissioner of ~~revenue~~ education.

Sec. 9. Minnesota Statutes 1991 Supplement, section 273.1399, is amended to read:

273.1399 [REDUCTION IN STATE TAX INCREMENT FINANCING AID.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualifying captured *net* tax capacity" means the following amounts:

(1) the captured *net* 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;

(2) the captured *net* 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~~ assessment year of the original *net* tax capacity). In no case may the final amounts be less than zero or greater than the total captured *net* tax capacity of the district:

Number of Years	Percentage
1	0
2	20
3	40
4	60
5	80
6 or more	100;

(3) the captured *net* 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 assessment year of the original *net* tax capacity). In no case may the final amounts be less than zero or greater than the total captured *net* 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 *net* tax capacity resulting from the reduction in the subdistrict's or site's original *net* 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.

Subd. 2. [REPORTING.] The county auditor shall calculate the qualifying captured *net* tax capacity amount for each municipal part of each school district in the county and report the amounts to the commissioner of revenue at the time and in the manner prescribed by the commissioner.

Subd. 3. [CALCULATION OF EDUCATION AIDS.] For each school district containing qualifying captured *net* 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 *net* 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 *net* tax capacity. The resulting amount is the reduction in state tax increment financing aid.

Subd. 4. [EQUALIZATION FACTOR.] The amount of the reduction in state tax increment financing aid equals the amount determined under subdivision 3 less

(1) 75 percent of the excess, if any, of the amount determined under subdivision 3, over

(2) .05 times the municipality's *net* tax capacity, divided by the sales ratio.

Subd. 5. [LOCAL GOVERNMENT AIDS; HOMESTEAD AND AGRICULTURAL AID CALCULATIONS.] (a) The reduction in state tax increment financing aid for a municipality must be deducted first from the local government aids to be paid to the municipality. If the deduction exceeds the amount of the local government aid, the rest must be deducted from the homestead and agricultural credit aid to be paid to the municipality.

(b) The amount of qualifying captured *net* tax capacity must be included in adjusted *net* tax capacity for purposes of computing the local government aid of the municipality that approved the tax increment financing district.

Sec. 10. Minnesota Statutes 1990, section 274.20, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) ~~The term "total gross taxes" means the total gross taxes levied on manufactured homes assessed pursuant to section 274.19 in a unique taxing jurisdiction as defined in section 273.1398 before reduction by any credits for taxes in 1989. For aid payable in 1991 and subsequent years total gross taxes for 1989 shall be multiplied by the cost of living adjustment factor as defined in section 273.1398.~~

~~(b) "Local tax rate" means the total local tax rate for taxes payable in 1989 within a unique taxing jurisdiction.~~

~~(c) "Total net tax capacity" means the net tax capacities as defined in section 273.1398 of all manufactured homes assessed pursuant to section 274.19 except the market value used shall be for the assessment one year prior to that in which aid is payable.~~

~~(d) "Subtraction factor" means the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its total net tax capacity; and (iii) 0.9767. "Current local tax rate" has the meaning given in section 273.1398, subdivision 1.~~

~~(b) "Growth adjustment factor" means the growth adjustment factor used in the calculation of homestead and agricultural credit aid for the year preceding that in which the manufactured home homestead and agricultural credit aid is payable.~~

~~(c) "Net tax capacity" means the product of (1) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 3.5 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent, and (2) estimated market values of manufactured homes assessed under section 274.19 for the assessment one year prior to that in which the aid is payable.~~

"Total net tax capacity" means the net tax capacities for all manufactured homes within the taxing district assessed under section 274.19. Net tax capacity cannot be less than zero.

(d) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the taxing district's current local tax rate. The net tax capacity adjustment 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 of manufactured homes assessed under section 274.19 for the assessment one year prior to that in which the aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all manufactured homes within the taxing district assessed under section 274.19. Previous net tax capacity cannot be less than zero.

(f) "Unique taxing jurisdiction" has the meaning given in section 273.1398, subdivision 1.

Sec. 11. Minnesota Statutes 1990, section 274.20, subdivision 2, is amended to read:

Subd. 2. [MANUFACTURED HOME HOMESTEAD AND AGRICULTURAL CREDIT AID.] For each calendar year, the manufactured home homestead and agricultural credit aid for each unique taxing jurisdiction equals ~~total gross taxes minus~~ the unique taxing jurisdiction's ~~subtraction factor~~ certified manufactured home homestead and agricultural credit aid determined under this subdivision for the preceding aid payable year times the growth adjustment factor for the jurisdiction plus the net tax capacity adjustment for the jurisdiction. The aid shall be allocated to each local government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bear to the total gross taxes.

Sec. 12. Minnesota Statutes 1991 Supplement, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted net tax capacity of the district for the preceding year. The commissioner of ~~revenue~~ education shall establish the basic transportation tax rate and certify it to the commissioner of ~~education~~ revenue 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 \$64,300,000 for fiscal year 1993 and \$68,000,000 for fiscal year 1994 and subsequent fiscal years. The basic transportation tax rate certified by the commissioner of ~~revenue~~ education 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. 13. Minnesota Statutes 1991 Supplement, section 277.01, subdivision 1, is amended to read:

Subdivision 1. [DUE DATES; PENALTY.] 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;~~ *penalties for unpaid tax on such property are imposed under section 279.01, subdivision 1.* This section shall not apply to 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.

Sec. 14. Minnesota Statutes 1991 Supplement, 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 one copy of a petition for such determination upon the county auditor, one copy on the county attorney, 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 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 forwarded by the assessor to the school board of the school district in which the property is located.

In counties where the office of county treasurer has been combined with the office of county auditor, the county may elect to require the petitioner to serve the number of copies as determined by the county. The county 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 list of petitioned properties, including the name of the petitioner, the identification number of the property, and the estimated market value, shall be sent on or before the first day of July by the county auditor/treasurer to the school board of the school district in which the property is located.

For all counties, 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. 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. 15. Minnesota Statutes 1990, section 278.02, is amended to read:
278.02 [PETITION MAY INCLUDE SEVERAL PARCELS.]

Such petition need not be in any particular form, but shall clearly identify the land involved, *the assessment date*, and shall set forth in concise language the claim, defense, or objection asserted. *No petition shall include more than one assessment date.* Several parcels of land in or upon which the petitioner has an estate, right, title, interest, or lien may be included in the same petition, but only if they are in the same city or town, except that contiguous property overlapping city or town boundaries may be included in one petition.

Sec. 16. Minnesota Statutes 1991 Supplement, section 279.03, subdivision 1a, is amended to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] (a) Except as provided in paragraph (b) ~~or (e)~~, 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 five 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.~~

~~(e) 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. 17. Minnesota Statutes 1990, section 279.37, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION INTO ONE ITEM.] Delinquent taxes upon any parcel of real estate may be composed into one item or amount by confession of judgment at any time prior to the forfeiture of the parcel of land to the state for taxes, for the aggregate amount of all the taxes, costs, penalties, and interest accrued against the parcel, as hereinafter provided. Taxes upon property which, for the previous year's assessment, was classified as ~~vacant land~~, mineral property, employment property, or commercial or industrial property shall ~~not only~~ be eligible to be composed into any confession of judgment pursuant to this section ~~except~~ as provided in subdivision 1a. *Delinquent taxes on vacant land are not eligible to be*

composed into a confession of judgment under this section regardless of the property's classification under section 273.13. The entire parcel is eligible for the ten-year installment plan as provided in subdivision 2 if 25 percent or more of the market value of the parcel is eligible for confession of judgment under this subdivision.

Sec. 18. Minnesota Statutes 1991 Supplement, 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), ~~23, paragraph (c),~~ or 25, paragraph (c), clause (5), for which 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 ~~(1) the aggregate tax capacity of that property exceeds five percent of the total tax capacity of the school district in which the property is located; or (2) the delinquent taxes are more than 25 percent of the prior year's school district levy.~~

Sec. 19. Minnesota Statutes 1990, section 281.23, subdivision 8, is amended to read:

Subd. 8. [COST.] The cost of giving notice, as provided by subdivisions 2, 3, 5, and 6, shall be paid by the county. *The county may recover costs incurred for posting, publishing, mailing, and serving the notice from the owner of the parcel that is the subject of the notice.*

Sec. 20. Minnesota Statutes 1990, section 282.09, subdivision 1, is amended to read:

Subdivision 1. [MONEY PLACED IN FUND.] The county auditor and county treasurer shall place all money received through the operation of sections 282.01 to 282.13 in a fund to be known as the forfeited tax sale fund and all disbursements and costs shall be charged against that fund, when allowed by the county board. Members of the county board may be paid a per diem pursuant to section 375.055, subdivision 1, and reimbursed for their necessary expenses, and may receive mileage as fixed by law.

Compensation of a land commissioner and assistants, if a land commissioner is appointed, shall be in the amount determined by the county board. The county auditor shall receive 50 cents for each certificate of sale, each contract for deed and each lease executed by the auditor, and, in counties where no land commissioner is appointed, additional annual compensation, not exceeding \$300, as fixed by the county board. Compensation of any other clerical help that may be needed by the county auditor or land commissioner shall be in the amount determined by the county board. All compensation provided for herein shall be in addition to other compensation allowed by law. Fees so charged in addition to the fee imposed in section 282.014 shall be included in the annual settlement by the county auditor as hereinafter provided. On or before February 1 each year, the commissioner of revenue shall certify to the commissioner of finance, by counties, the total number of state deeds issued and reissued during the preceding calendar year for which such fees are charged and the total amount thereof. *On or before March 1 each year, each county shall remit to the commissioner of revenue, from the forfeited tax sale fund, the aggregate amount of the fees imposed by section 282.014 in the preceding calendar year. The commissioner of revenue shall deposit the amounts received in the state treasury to the credit of the general fund.* When disbursements are made from the fund for repairs, refunds, expenses of actions to quiet title, or any other purpose which particularly affects specific parcels of forfeited lands, the amount of such disbursements shall be charged to the account of the taxing districts interested in such parcels. The county auditor shall make an annual settlement of the net proceeds received from sales and rentals by the operation of sections 282.01 to 282.13, on the settlement day determined in section 276.09, for the preceding calendar year.

Sec. 21. Minnesota Statutes 1990, section 282.36, is amended to read:
282.36 [FEES PAYABLE ~~TO~~ BY REPURCHASER.]

Any person repurchasing land after forfeiture to the state for nonpayment of taxes under the provisions of a repurchase law shall at the time the certificate of repurchase is issued and recorded by the county auditor or before receiving quitclaim deed pursuant thereto, pay to the county treasurer a fee of \$3 in an amount equal to the fee provided in section 282.014. Fees so collected during any calendar year shall be credited to a special fund and, upon a warrant issued by the county auditor on or before March 1 of the year following, shall be remitted to the ~~state treasurer~~ *commissioner of revenue* and credited to the general fund. The commissioner of revenue shall, on or before February 1 in each year, certify to the ~~state treasurer~~ *commissioner of finance* the number of deeds issued during the preceding calendar year to which these fees apply, showing by counties the number of deeds so issued and the total fees due therefor. This section shall not apply to repurchases made under any law enacted prior to January 1, 1945.

Sec. 22. Minnesota Statutes 1991 Supplement, section 375.192, subdivision 2, is amended to read:

Subd. 2. Upon written application by the owner of ~~the any~~ 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~~ All applications 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, except that the part of the application which is for the abatement of penalty or interest, the application~~ must be approved by the county treasurer and county auditor. *Approval by the county or city assessor is not required for abatements of penalty or interest.* 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. 23. Minnesota Statutes 1991 Supplement, section 423A.02, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENTARY AMORTIZATION STATE AID.] In addition to the amortization state aid under subdivision 1, there is a distribution of supplementary amortization state aid among those ~~local police and salaried firefighters relief associations~~ municipalities that receive amortization state aid under subdivision 1. The amount of the distribution is that proportion of the appropriation that the unfunded actuarial accrued liability of each relief association bears to the total unfunded actuarial accrued liabilities of all relief associations as reported in the ~~most recent~~ December 31, 1983, actuarial valuations of the relief associations receiving amortization state aid under subdivision 1. Money under this subdivision must be distributed ~~to the relief associations~~ at the same time that fire and police state aid is distributed under section 69.021.

Sec. 24. Minnesota Statutes 1990, section 469.177, subdivision 1a, is amended to read:

Subd. 1a. [ORIGINAL LOCAL TAX RATE.] At the time of the initial certification of the original net tax capacity for a tax increment financing district, the county auditor shall certify the original local tax rate that applies to the district. The original local tax rate is the sum of all the local tax rates that apply to a property in the district. The local tax rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the district's original tax capacity. ~~If the total local tax rate applicable to properties in the tax increment financing district varies, the local tax rate must be computed by determining the average total local tax rate in the district, weighted on the basis of net tax capacity. The resulting net tax capacity rate is the original local tax rate for the life of the~~

district.

Sec. 25. Minnesota Statutes 1990, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full-peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.01209~~ 0.510 percent of ~~market value~~ *net tax capacity* on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.01813~~ 0.765 percent of ~~market value~~ *net tax capacity* on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments.

For the purposes of this subdivision, "full-peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 26. Minnesota Statutes 1990, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the ~~gross~~ *net* tax capacity of those properties by applying the appropriate class rates. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the ~~gross~~ *net* tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the ~~gross~~ *net* tax capacity times the total local tax rate for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the ~~gross~~ *net* tax capacity times 105 percent of the previous year's statewide average local tax rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the ~~gross~~ *net* tax in clause (c) is less than the ~~gross~~ *net* tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payment shall be made by the state on December 15 to each of the affected taxing jurisdictions, other than school districts, in the same proportion that the ad valorem tax is distributed if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 27. Laws 1991, chapter 291, article 1, section 65, is amended to read:

Sec. 65. [EFFECTIVE DATE.]

Sections 1, 4, 28, 35, 36, 57, 58, and 62 are effective the day following final enactment.

Sections 2, 3, 11, 15 to 22, 24, 26 to 28, 27, 30, 37 to 49, and 63 are effective for taxes levied in 1991, payable in 1992, and thereafter.

Sections 5 and 6, and 29 are effective for referenda held after November 1, 1992, for taxes payable in 1993 and thereafter.

Sections 7 and 52 are effective July 1, 1991.

Sections 8, 9 and 31 are effective for appeals filed after July 31, 1991.

Section 10 is effective only for taxes payable in 1992, 1993, 1994, and 1995.

Sections 12 and 14 are effective for taxes payable in 1993 and thereafter, except the deletion of the language "or any single contiguous lot fronting on the same street" in sections 12 and 14 shall be effective for taxes payable in 1992 and thereafter.

Section 13 is effective the day following final enactment and applies to real property acquired after December 31, 1990.

Sections 23 and 25 are effective for taxes payable in 1993 and thereafter.

~~Section 29 is effective for referenda for taxes payable in 1993 and thereafter.~~

Sections 32 and 33 are effective for taxes deemed delinquent after December 31, 1991.

Sections 50 and 51 are effective for aids payable in 1991 and thereafter.

Section 53 is effective the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 54 is effective for the 1991 and 1992 assessment year.

Section 59 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 60 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 61 is effective the day after the governing body of independent school district No. 284, Wayzata, complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 28. [1989 POPULATION AND NUMBER OF HOUSEHOLDS DATA USED IN 1992 AID CALCULATIONS.]

Notwithstanding any law to the contrary, for the calculation of payable 1992 homestead and agricultural credit aid under Minnesota Statutes, section 273.1398, the 1989 population and number of households figure for governmental subdivisions not having annual estimates prepared by the metropolitan council is equal to the local unit's 1988 population or number of households figure as prepared by the state demographer, plus one-half the increase or minus one-half the decrease when compared to the corresponding figures according to the 1990 federal census.

Sec. 29. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete the first note after section 273.1398. The amendment to Minnesota Statutes, section 273.1398, subdivision 1, paragraph (j), made by Laws 1990, chapter 480, article 7, section 9, is of no effect.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, section 278.01, subdivision 2, is repealed.

Sec. 31. [EFFECTIVE DATES.]

Sections 1, 12, 29, and 30 are effective the day following final enactment. Sections 2, 26, and 27 are effective for taxes levied in 1989, payable in 1990, and thereafter, and for aids and credits payable in 1990 and thereafter. Section 5 is effective for taxes levied in 1991, payable in 1992, and thereafter. Sections 3 and 6 are effective for taxes levied in 1992, payable in 1993, and thereafter. Section 8 is effective for aids payable after June 30, 1992. Section 9 is effective for school year 1992-1993 and for homestead and agricultural credit aid and local government aids for taxes payable in 1992, and thereafter. Sections 10 and 11 are effective for aids payable in 1992 and thereafter. Sections 17 and 19 are effective for taxes becoming delinquent after December 31, 1991. Section 23 is effective for abatements granted in 1992 and thereafter. Section 24 is effective for supplementary amortization state aid payable after June 30, 1991. Section 25 is effective for new tax increment financing districts and amendments adding geographic area to an existing district for which the certification request is, or has been, filed with the county auditor after May 1, 1988. Section 27 is effective as of the day following final enactment of Laws 1991, chapter 291, so that the original effective date language in Laws 1991, chapter 291, which is amended by section 27, has no effect.

ARTICLE 5

INCOME AND GROSS PREMIUMS TAXES

Section 1. Minnesota Statutes 1990, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April ~~15~~ 1, June ~~15~~ 1, and December ~~15~~ 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies, *and marine insurance companies*, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraph (b), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) or (b) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year; ~~excepting premiums written for marine insurance as specified in subdivision 6.~~

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

Sec. 2. Minnesota Statutes 1991 Supplement, section 289A.26, subdivision 1, is amended to read:

289A.26 [PAYMENT OF ESTIMATED TAX ~~BY CORPORATIONS.~~]

Subdivision 1. [MINIMUM LIABILITY.] A corporation, *partnership, or trust* 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 3, is amended to read:

Subd. 3. [SHORT TAXABLE YEAR.] (a) ~~A corporation~~ *An entity* with a short taxable year of less than 12 months, but at least four months, must pay estimated tax in equal installments on or before the 15th day of the third, sixth, ninth, and final month of the short taxable year, to the extent applicable based on the number of months in the short taxable year.

(b) ~~A corporation~~ *An entity* is not required to make estimated tax payments for a short taxable year unless its tax liability before the first day of the last month of the taxable year can reasonably be expected to exceed \$500.

(c) No payment is required for a short taxable year of less than four months.

Sec. 4. Minnesota Statutes 1990, section 289A.26, subdivision 4, is amended to read:

Subd. 4. [UNDERPAYMENT OF ESTIMATED TAX.] If there is an underpayment of estimated tax by a corporation, *partnership, or trust*, there shall be added to the tax for the taxable year an amount determined at the rate in section 270.75 on the amount of the underpayment, determined under subdivision 5, for the period of the underpayment determined under subdivision 6. This subdivision does not apply in the first taxable year that a corporation is subject to the tax imposed under section 290.02.

Sec. 5. Minnesota Statutes 1991 Supplement, 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, *the 15th day of the fourth month following the close of the taxable year for partnerships or trusts*, 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. 6. Minnesota Statutes 1990, section 289A.26, subdivision 7, is amended to read:

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1) ~~90~~ (i) *for tax years beginning in calendar year 1992, 93 percent of the tax shown on the return for the taxable year, or if no return is filed, 90 percent of the tax for that year; or*

(ii) *for tax years beginning after December 31, 1992, 95 percent of the tax shown on the return for the taxable year, or if no return is filed 95 percent of the tax for that year; or*

(2) 100 percent of the tax shown on the return of the ~~corporation~~ *entity* for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the ~~corporation~~ *entity*.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of \$1,000,000 or more for any taxable year during the testing period. The term "testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

For the following
required installments:

The applicable
percentage is:

	<i>for tax years beginning in 1992</i>	<i>for tax years beginning after December 31, 1992</i>
1st	22.5 23.25	23.75
2nd	45 46.5	47.5
3rd	67.5 69.75	71.25
4th	90 93	95

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the ~~corporation~~ *entity* determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Sec. 7. Minnesota Statutes 1990, section 289A.26, subdivision 9, is amended to read:

Subd. 9. [FAILURE TO FILE AN ESTIMATE.] In the case of a ~~corporation~~ *an entity* that fails to file an estimated tax for a taxable year when one is required, the period of the underpayment runs from the four installment dates in subdivision 2 or 3, whichever applies, to the earlier of the periods in subdivision 6, clauses (1) and (2).

Sec. 8. Minnesota Statutes 1991 Supplement, 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~~ *The penalty under section 289A.60, subdivision 1, is not imposed if the amount of unpaid tax shown on the order must be is 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 or a tax court appeal is filed under chapter 271, within 60 days following the final determination of the appeal.*

Sec. 9. Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating

any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(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, 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, 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.

The Internal Revenue Code of 1986, as amended through December 31, 1991, shall be in effect for taxable years beginning after December 31, 1991.

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. 10. Minnesota Statutes 1991 Supplement, 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);
- (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:

(1) advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code; or

(2) revenues from lawful gambling authorized under chapter 349 to the extent the revenues are expended for purposes that qualify for the deduction for charitable contributions under section 170 of the Internal Revenue Code of 1986, as amended through December 31, 1991, disregarding the limitation under section 170(b)(2).

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. 11. Minnesota Statutes 1990, section 290.9201, subdivision 11, is amended to read:

Subd. 11. [EXCEPTION FROM WITHHOLDING FOR PUBLIC SPEAKERS.] The provisions of subdivisions 7 and 8 shall not be effective for compensation paid to nonresident public speakers ~~before January 1, 1992~~, if the compensation paid to the speaker is less than \$2,000 or is only a payment of the speaker's expenses.

Sec. 12. Minnesota Statutes 1990, section 290.923, is amended by adding a subdivision to read:

Subd. 11. [EXEMPTION FROM DEDUCTION 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 and which issues 1099 or K1 forms to its shareholders or certificate holders and provides the 1099 or K1 information to the department of revenue, is exempt from deduction and withholding under this section.

Sec. 13. Minnesota Statutes 1990, section 299F.21, subdivision 1, is amended to read:

Subdivision 1. [ESTIMATED INSTALLMENT PAYMENTS.] On or before April ~~15~~ 1, June ~~15~~ 1, and December ~~15~~ 1 of each year, every licensed insurance company, including reciprocals or interinsurance exchanges, doing business in the state, excepting farmers' mutual fire insurance companies and township mutual fire insurance companies, shall pay to the commissioner of revenue installments equal to one-third of, a tax upon its fire premiums or assessments or both, based on a sum equal to one-half of one percent of the estimated fire premiums and assessments, less return premiums and dividends, on all direct business received by it in this state, or by its agents for it, in cash or otherwise, during the year, including premiums on policies covering fire risks only on automobiles, whether written under floater form or otherwise. In the case of a mutual company or reciprocal exchange the dividends or savings paid or credited to members in this state shall be construed to be return premiums. The money so received into the state treasury shall be credited to the general fund. A company that fails to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year is subject to the penalty and interest provided in this chapter, unless the total tax for the current tax year is \$500 or less.

Sec. 14. [TRANSITION RELIEF FOR CHANGE IN CORPORATE ESTIMATED TAX.]

For the purposes of computing the amount of underpayment of corporate estimated tax on installment payments due before June 1, 1992, 90 percent shall be substituted for 93 percent in Minnesota Statutes, section 289A.26, subdivision 7, paragraph (b), clause (1), and 22.5 percent shall be substituted for 23.25 percent in paragraph (e), clause (4), if there is not an underpayment of estimated tax for the second installment due in calendar year 1992.

Sec. 15. [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, 1991" for the words "Internal Revenue Code of 1986, as amended through December 31, 1990" or "Internal Revenue Code of 1986, as amended through January 30, 1991," where the phrase occurs in chapters 289A, 290, 290A, and 291, except for section 290.01, subdivision 19.

Sec. 16. [REPEALER.]

Minnesota Statutes 1990, section 60A.15, subdivision 6, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Section 1 is effective for tax years beginning after December 31, 1992, except that the date changes in that section are effective for payments due on or after December 1, 1992. Sections 2 to 7 are effective for tax years beginning after June 1, 1992. Sections 6, paragraphs (b), clause (1), and (e), clause (4); and 14 are effective for estimated tax payments for tax years beginning after December 31, 1991. Sections 8 and 11 are effective the day following final enactment. Sections 9 and 10 are effective for taxable years beginning after December 31, 1991. Section 12 is effective for taxable years beginning after December 31, 1989. Section 13 is effective for payments due on or after December 1, 1992. Section 16 is effective for tax years beginning after December 31, 1992.

ARTICLE 6

SALES AND USE TAXES

Section 1. Minnesota Statutes 1990, section 216C.06, is amended by adding a subdivision to read:

Subd. 13. [PHOTOVOLTAIC DEVICE.] "Photovoltaic device" means a system of components that generates electricity from incident sunlight by means of the photovoltaic effect, whether or not the device is able to store the energy produced for later use.

Sec. 2. Minnesota Statutes 1990, section 289A.11, subdivision 3, is amended to read:

Subd. 3. [WHO MUST FILE RETURN.] For purposes of the sales tax, a return must be filed by a retailer who is required to hold a permit. For the purposes of the use tax, a return must be filed by a retailer required to collect the tax and by a person buying any items, the storage, use or other consumption of which is subject to the use tax, who has not paid the use tax to a retailer required to collect the tax. The returns must be signed by the person filing the return or by the person's agent duly authorized in writing. The signature requirement can be waived by agreement, in writing, between the commissioner and the person required to file the returns for a period not to exceed one year from the date of the agreement. The agreement must contain an admission of liability by the taxpayer for the taxes reported on all returns filed by the taxpayer without a signature during the period of the waiver, to the extent such taxes are not timely paid.

Sec. 3. Minnesota Statutes 1991 Supplement, 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.

(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 14th day of the month following the month in which the taxable event occurred, except for the May liability and one-half of the estimated June liability, which are due on or before the date the tax is due under paragraph (b), clause (1). The remaining amount of the June liability is due on August 14. 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.

(e) If the vendor required to remit by means of funds transfer as provided in this subdivision is unable due to reasonable cause to determine the actual sales and use tax due on or before the 14th day of the month, the vendor may remit an estimate of the tax owed using one of the following options:

(1) 100 percent of the tax reported on the previous month's sales and use tax return;

(2) 100 percent of the tax reported on the sales and use tax return for the same month in the previous calendar year; or

(3) 95 percent of the actual tax due.

Any additional amount of tax that is not remitted on or before the 14th day of the month must be remitted with the return by the 20th day of the month following the month in which the taxable event occurred. A vendor must notify the commissioner of the option that will be used to estimate the tax due, and must obtain approval from the commissioner to switch to another option. If a vendor fails to remit the actual liability or does not remit using one of the estimate options by the 14th day of the month, the vendor must remit actual liability as provided in paragraph (d) in all subsequent periods.

Sec. 4. Minnesota Statutes 1990, section 297A.07, is amended to read:

297A.07 [REVOCATION OF PERMITS.]

~~Subdivision 1. [HEARINGS.] Whenever~~ If any person fails to comply with ~~any provision of sections 297A.01 to 297A.44 this chapter or any rule of the commissioner the rules adopted under sections 297A.01 to 297A.44 this chapter, without reasonable cause,~~ the commissioner, ~~upon~~ may schedule a hearing, ~~after giving the person 30 days' notice in writing specifying the time and place of hearing and the reason for the proposed revocation and requiring the person to show cause why the permit or permits should not be revoked;~~ ~~may for reasonable cause, revoke or suspend any one or more of the permits held by such person.~~ The commissioner must give the person 15 days' notice in writing, specifying the time and place of the hearing and

the reason for the proposed revocation. The notice shall also advise the person of the person's right to contest the revocation under this subdivision, the general procedures for a contested case hearing under chapter 14, and the notice requirement under subdivision 2. The notice may be served personally or by mail in the manner prescribed for service of notice of a deficiency an order of assessment.

Subd. 2. [CONTESTING OF REVOCATION.] A person planning to contest the revocation of a sales tax permit must give the commissioner written notice of intent to do so five calendar days before the date of the hearing. If the person does not provide the notice and has no reasonable justification for not doing so, or does not attend the hearing, the commissioner may request a finding of default and recommendation for revocation by the administrative law judge.

Subd. 3. [NEW PERMITS AFTER REVOCATION.] The commissioner shall not issue a new permit or reinstate a revoked permit after revocation except upon application accompanied by unless the taxpayer applies for a permit and provides reasonable evidence of the intention of the applicant to comply with the aforementioned provisions sales and use tax laws and rules. The commissioner may condition require the issuance of a new permit to such applicant on the supplying of such to supply security, in addition to that authorized by section 297A.28, as is reasonably necessary to insure compliance with the aforementioned provisions sales and use tax laws and rules.

Sec. 5. Minnesota Statutes 1991 Supplement, section 297A.135, subdivision 1, is amended to read:

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 for not more than 28 days 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.

Sec. 6. Minnesota Statutes 1991 Supplement, section 297A.135, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTION.] The tax imposed by this section does not apply to a lease or rental if the vehicle is to be used by the lessee to provide a licensed taxi service.

Sec. 7. Minnesota Statutes 1990, section 297A.14, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] For the privilege of using, storing or consuming in Minnesota tangible personal property or taxable services purchased for use, storage, or consumption in this state, a use tax is imposed on every person in this state at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the items, unless the tax imposed by section 297A.02 was paid on the sales price.

A use tax is imposed on every person who uses, stores, or consumes tangible personal property in Minnesota which has been manufactured, fabricated, or assembled by the person from new materials, either within

or without this state, at the rate of tax imposed under section 297A.02 on the sales price of sales at retail of the raw materials contained in the tangible personal property, unless the tax imposed by section 297A.02 was paid on the sales price.

Sec. 8. Minnesota Statutes 1991 Supplement, section 297A.14, subdivision 3, is amended to read:

Subd. 3. [COUNTY USE TAX.] For each county in which a sales tax is imposed under section 297A.021, a use tax is imposed. This tax applies in the same manner and to the same items as the tax under subdivision 1, except that the county is substituted for the state of Minnesota and section 297A.021 is substituted for section 297A.02.

Out-of-state vendors must collect and remit the use tax imposed under this subdivision as required under section 297A.16 with respect to the use tax imposed under section 297A.14.

Sec. 9. Minnesota Statutes 1990, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical colleges, state academies, the Minnesota center for arts education, ~~and political subdivisions of the state~~ *school districts, public libraries, public hospitals, and publicly owned nursing homes* are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, paragraph (f), but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration, or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities. *Sales to all political subdivisions of the state are exempt after June 30, 1995. The tax imposed on sales to political subdivisions of the state under this section applies to all political subdivisions other than those explicitly exempted under this subdivision, notwithstanding sections 458A.09, 458A.30, 473.394, or 473.448 or any other law to the contrary enacted before 1992.*

Sec. 10. Minnesota Statutes 1991 Supplement, section 297A.25, subdivision 12, as amended by Laws 1992, chapter 363, article 1, section 19, subdivision 1, 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, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, or 1033 of the Internal Revenue Code of 1986, as amended through December 31, 1990; (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; (3) sale is a sale of farm machinery; (4) the sale is a farm auction sale; or (5) the sale is a sale of substantially all of the assets of a trade or business ~~conducted by an individual or by a partnership all of the partners of which are individuals.~~

For purposes of this subdivision, a "farm auction" is a public auction conducted by a licensed auctioneer if substantially all of the property sold consists of property used in the trade or business of farming and property not used primarily in a trade or business.

Sec. 11. Minnesota Statutes 1990, section 297A.25, subdivision 24, is amended to read:

Subd. 24. [NONPROFIT TICKETS OR ADMISSIONS.] The gross receipts from the sale or use of tickets or admissions to the premises of or events sponsored by an association, corporation or other group of persons which provides an opportunity for citizens of the state to participate in the creation, performance or appreciation of the arts and which *either (1) qualifies as a tax-exempt organization within the meaning of Minnesota Statutes 1980, section 290.05, subdivision 1, clause (i), or (2) is a municipal board that promotes cultural and arts activities are exempt. The exemption provided with respect to a municipal board applies only to tickets and admissions to events sponsored by the board.*

Sec. 12. Minnesota Statutes 1990, section 297A.25, subdivision 34, is amended to read:

Subd. 34. [MOTOR VEHICLES.] The gross receipts from the sale or use of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of Minnesota shall be exempt from taxation under this chapter. *Notwithstanding section 297A.25, subdivision 11, the exemption provided under this subdivision remains in effect for motor vehicles purchased by political subdivisions of the state to the extent of the exemption provided under chapter 297B.*

Sec. 13. Minnesota Statutes 1990, section 297A.25, subdivision 45, is amended to read:

Subd. 45. [SHIPS USED IN INTERSTATE COMMERCE.] The gross receipts from sales of, *and use, storage, or consumption of:*

(1) repair, replacement, and rebuilding parts and materials, and lubricants, for ships or vessels used or to be used principally in interstate or foreign commerce; and

(2) vessels with a gross registered tonnage of at least 3,000 tons

are exempt.

Sec. 14. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 47. [PHOTOVOLTAIC DEVICES.] The gross receipts from the sale of photovoltaic devices, as defined in section 216C.06, subdivision 13, and

the materials used to install, construct, repair, or replace them are exempt if the devices are used as an electric power source.

Sec. 15. Minnesota Statutes 1990, section 297A.25, is amended by adding a subdivision to read:

Subd. 48. [WIND ENERGY CONVERSION SYSTEMS.] The gross receipts from the sale of wind energy conversion systems, as defined in section 216C.06, subdivision 12, and the materials used to manufacture, install, construct, repair, or replace them are exempt if the systems are used as an electric power source.

Sec. 16. Minnesota Statutes 1991 Supplement, section 297A.44, subdivision 4, is amended to read:

Subd. 4. [LOCAL OPTION TAX.] (a) The commissioner shall deposit all revenues, including interest and penalties, derived from the local option excise taxes imposed under sections 297A.021 and 297A.14 in the local government trust fund, except that revenues derived from the local option taxes on purchases by political subdivisions of the state shall be deposited in the general fund.

(b) In addition, the commissioner shall deposit revenues derived from imposing a rate of 1.5 percent on all taxable sales, including interest and penalties, under this chapter in the local government trust fund, except that revenues derived from the local option taxes on purchases by political subdivisions of the state shall be deposited in the general fund.

Sec. 17. [297A.46] [LOCAL GOVERNMENTS EXEMPT FROM LOCAL SALES TAXES.]

Notwithstanding any other law, ordinance, or charter provision, no political subdivision of the state shall be required to pay any general sales tax imposed by a political subdivision of the state.

Sec. 18. [COMMISSIONER OF REVENUE: TEMPORARY POWERS.]

Subdivision 1. [APPLICABILITY.] This section gives the commissioner of revenue certain temporary powers. These powers apply only to taxes imposed under Minnesota Statutes, chapter 297A, and local taxes administered by the commissioner under Minnesota Statutes, chapters 289A and 297A.

Subd. 2. [PAYMENT OF TAXES.] The commissioner may establish additional due dates, applicable to certain groups of taxpayers, for the payment of taxes. Unless the commissioner has the written consent of the taxpayer, the additional payment dates must not require the taxpayer to pay the tax earlier than the payment dates now provided by statute or rule. The commissioner may accept various forms of payment, including, but not limited to, financial transaction cards and electronic funds transfer.

Subd. 3. [FILING OF RETURN.] The commissioner may establish additional dates, applicable to certain groups of taxpayers, for the filing of tax returns. Unless the commissioner has the written consent of the taxpayer, the return due date must not be earlier than the due date now provided by statute or rule. In conducting pilot studies, the commissioner may use tax return forms with varying formats, accept electronic filed returns, and waive the taxpayer signature requirements.

Subd. 4. [AGREEMENTS.] The commissioner may enter written agreements with taxpayers that provide for the payment of taxes or the filing of

returns at dates earlier than now provided by statute or rule. The commissioner and the taxpayer may also agree in writing to other changes from the statutory or rule requirements related to the administration of these taxes. If the taxpayer agrees to pay taxes at a date earlier than provided by statute, the commissioner may negotiate payments to the taxpayer to compensate in part or in full for the loss incurred as a result of the accelerated payment. Included under this authority, the commissioner may agree to let the taxpayer keep a percentage of the taxes collected.

Subd. 5. [PERMITS; APPLICATION; REVOCATION.] The commissioner may establish procedures for the issuance, renewal, revocation, and cancellation of sales tax permits. These procedures may change the permit application process, establish permit renewal procedures and timeframes, and alter the sales and use tax permit revocation process. These procedures must not impair the statutory due process rights of the taxpayer, except with the taxpayer's consent.

Subd. 6. [PROCEDURE: APPROVAL.] Pilot studies proposed under these authorities must be presented to the chairs of the house of representatives tax committee and the senate committee on taxes and tax laws. No study may be undertaken without the approval of both chairs. If either chair fails to respond within 15 days after the proposal is presented, that chair is considered to have approved the study. If the study is approved, the commissioner will initially seek participation on a voluntary basis from within the targeted taxpayer group.

Subd. 7. [ADMINISTRATIVE PROCEDURES ACT.] The powers granted under this section are not subject to the provisions of Minnesota Statutes, chapter 14.

Subd. 8. [EXPIRATION DATE.] This section expires June 30, 1994. Within 90 days following the expiration date, the commissioner will prepare a report on this study for presentation to the chairs of the house of representatives tax committee and the senate committee on taxes and tax laws.

Sec. 19. [OCCASIONAL SALES; RETROACTIVE DATE; REFUNDS.]

No refunds of tax may be paid due to the retroactive effective date of section 10 except as provided in this section. A purchaser must file a claim for refund containing the information required in Minnesota Statutes, section 289A.50, and any other information required by the commissioner, including receipts or other proof of payment. A purchaser is considered a taxpayer for purposes of section 289A.50. Notwithstanding section 289A.50, subdivision 2, a vendor who has collected a tax from the purchaser may not claim a refund under this section.

Sec. 20. [CITY OF ELY; 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 Ely 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 Ely 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 must 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, operating, promoting, and developing of facilities as part of a community revitalization project in Ely known as the Ely Wilderness Gateway project. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of the Wilderness Gateway project and related facilities, securing or paying debt service on bonds or other obligations issued to finance the construction of Wilderness Gateway and related facilities, operating expenses of facilities and attractions, and operations to promote and develop the project. For purposes of this section, "Ely Wilderness Gateway and related facilities" means a convention center, amphitheater, interpretive center, Gateway linkage facility, exhibits and program components, furnishings and equipment, tourist center, cottage industry center, wildlife enclosures, tourist attractions, museum, educational facilities, and links to municipal campgrounds and all publicly owned real or personal property adjacent to the project area 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, educational and recreational trails, and landscaping. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues shall not exceed \$20,000,000 for Ely Wilderness Gateway and related facilities.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The taxes imposed under subdivisions 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital, administrative, and operating costs of \$20,000,000 for the Ely Wilderness Gateway and related facilities and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Subd. 5. [BONDS.] The city of Ely may issue general obligation bonds of the city in an amount not to exceed \$20,000,000 for Ely Wilderness Gateway and related facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a property tax to pay them. The debt represented by bonds issued for Ely Wilderness Gateway and related facilities shall not be included in computing any debt limitations applicable to the city of Ely, and the levy of taxes required by Minnesota Statutes, 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.] If the Ely city council intends to impose the sales and excise taxes authorized by this section, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a general election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax 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 general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.

Subd. 7. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAXES.] A sales tax imposed under this section must 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. [EFFECTIVE DATE.] This section is effective the day after final enactment.

Sec. 21. [CITY OF THIEF RIVER FALLS; 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 Thief River Falls may, by ordinance, impose an additional sales tax of up to one-half of one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city except for sales of major farm equipment subject to the tax under subdivision 2.

Subd. 2. [EXCISE TAX.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Thief River Falls 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, and an excise tax of up to \$20 per piece of major farm equipment, as defined by ordinance, purchased or acquired from any person engaged within the city in the business of selling major farm equipment at retail.

Subd. 3. [USE OF REVENUES.] Revenues received from taxes authorized by subdivisions 1 and 2 must 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, operating, promoting, and developing of facilities as part of a community revitalization project in Thief River Falls known as the Area Tourism-Convention Facilities. Authorized expenses include, but are not limited to, acquiring property and paying relocation expenses related to the development of the Area Tourism-Convention Facilities, securing or paying debt service on bonds or other obligations issued to finance the construction of the Area Tourism-Convention Facilities, operating expenses of facilities and attractions, and operations to promote and develop the project as described in a strategic plan approved under subdivision 8. For purposes of this section, "Area Tourism-Convention Facilities" means convention facilities, rivers' beautification and reservoir management, tourist park expansion, River Walk facilities, and Depot acquisition and preservation. The total capital, administrative, and operating expenditures payable from bond proceeds and revenues shall not exceed \$15,000,000 for the Thief River Falls Area Tourism-Convention Facilities.

Subd. 4. [EXPIRATION OF TAXING AUTHORITY AND EXPENDITURE LIMITATION.] The taxes imposed under subdivisions 1 and 2 shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes to finance capital, administrative, and operating costs of \$15,000,000

for the Area Tourism-Convention Facilities and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city. The taxes imposed under subdivisions 1 and 2 may expire at an earlier time if the city, by ordinance, so determines, provided that sufficient funds have been received to finance obligations already incurred for the Area Tourism-Convention Facilities.

Subd. 5. [BONDS.] The city of Thief River Falls may issue general obligation bonds of the city in an amount not to exceed \$15,000,000 for the Area Tourism-Convention Facilities, without election under Minnesota Statutes, chapter 475, on the question of issuance of the bonds or a property tax to pay them. The debt represented by bonds issued for the Area Tourism-Convention Facilities shall not be included in computing any debt limitations applicable to the city of Thief River Falls, and the levy of taxes required by Minnesota Statutes, 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.] If the Thief River Falls city council intends to impose the sales and excise taxes authorized by this section, it shall conduct a referendum on the issue. The question of imposing the tax must be submitted to the voters at a general election. The tax may not be imposed unless a majority of votes cast on the question of imposing the tax 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 general election before December 1, 1992. This subdivision applies notwithstanding any city charter provision to the contrary.

Subd. 7. [ENFORCEMENT; COLLECTION; ADMINISTRATION OF TAXES.] A sales tax imposed under this section must 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. [APPROVAL OF PLANS.] A representative, advisory citizens committee of not less than nine members is established. The committee shall review and, by majority vote, approve or reject strategic plans relating to the Area Tourism-Convention Facilities of Thief River Falls. The committee shall be appointed by the Thief River Falls city council as provided under Minnesota Statutes, section 15.059, subdivisions 2 and 4. The committee shall be composed of persons representative of the area.

Subd. 9. [EFFECTIVE DATE.] This section is effective the day after final enactment.

Sec. 22. [CITY OF ROCHESTER: LOCAL TAXES.]

Subdivision 1. [SALES AND USE TAX AUTHORIZATION.] 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.

Subd. 2. [EXCISE TAX AUTHORIZATION.] 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 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. [COLLECTION.] The commissioner of revenue may enter into appropriate agreements with the city of Rochester to provide for collection by the state on behalf of the city of a tax imposed by the city of Rochester pursuant to this section. The commissioner may charge the city of Rochester from the proceeds of any tax a reasonable fee for its collection.

Subd. 4. [ALLOCATION OF REVENUES.] Revenues received from taxes authorized by this section shall be used to pay the costs of collecting the taxes, capital and administrative costs of capital improvements for fire station, city hall, and public library facilities for which the city voters at the general election held on November 6, 1990, approved the issuance of general obligation bonds, and to pay debt service on the bonds. The total capital and administrative expenditures payable from bond proceeds and revenues received from the taxes authorized by sections 22 and 23, excluding investment earnings thereon, shall not exceed \$28,760,000 for the several purposes.

Subd. 5. [TERMINATION OF TAXES.] The taxes imposed pursuant to this section shall terminate on the first day of the second month next succeeding a determination by the city council that sufficient funds have been received from the taxes and bond proceeds to finance capital and administrative costs of \$28,760,000 for improvements for fire station, city hall, and public library facilities and to prepay or retire at maturity the principal, interest, and premium due on any bonds issued for the improvements. Any funds remaining after completion of the improvements and retirement or redemption of the bonds may be placed in the general fund of the city.

Subd. 6. [BONDS.] The city of Rochester, pursuant to the approval of the city voters at the general election held on November 6, 1990, may issue general obligation bonds of the city in an amount not to exceed \$28,760,000 for fire station, city hall, and public library facilities. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, and the levy of taxes required by Minnesota Statutes, section 475.61, to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city. The amount of any special levy for debt service for payment of principal and interest on the bonds shall not include the amount of estimated collection of revenues from the taxes imposed pursuant to this section that are pledged for the payment of those obligations.

Sec. 23. [CITY OF MINNEAPOLIS: NEIGHBORHOOD EARLY LEARNING CENTER.]

Subdivision 1. [CENTERS.] A neighborhood early learning center provides programs to promote the physical, emotional, and social development of all children residing in the city of Minneapolis from birth until ready to enter first grade. A center may include:

(1) way to grow school readiness programs as defined in Minnesota Statutes, section 145.926;

(2) Head Start and other preschool programs;

(3) kindergarten and related programs; and

(4) other family support and child development activities which strengthen the capacity of a family to give birth to and successfully nurture healthy children.

A center shall be located as close as possible to the families and children it serves and may be housed in one structure or in structures in close proximity to each other. A center may be owned by any private or public entity other than the board established under subdivision 2.

Subd. 2. [CREATION OF BOARD.] Special school district No. 1 and the city of Minneapolis may establish a neighborhood early learning board under Minnesota Statutes, section 471.59, to create, manage, and operate neighborhood early learning centers on the terms and conditions agreed to by the district and the city. The Minneapolis youth coordinating board established under Laws 1985, chapter 91, may serve as the neighborhood early learning board provided that the governing bodies of special school district No. 1 and the city of Minneapolis, together with the youth coordinating board, adopt resolutions designating the youth coordinating board as the neighborhood early learning board under the authority of this section. If an existing board ceases to function, and in the absence of a new joint powers agreement creating a new board, an interim joint powers board shall govern. The interim board shall consist of five members, two of whom shall be selected by resolution of the governing body of special school district No. 1, two of whom shall be selected by resolution of the city council of the city of Minneapolis, and one of whom shall be selected by the mayor with the approval of the city council. Persons selected to serve may be elected officials from their respective bodies. Any interim board shall elect its own officers and shall serve until a new joint powers agreement establishes a new board.

Subd. 3. [POWERS.] The neighborhood early learning board is authorized to:

(1) manage and operate and acquire leasehold interests in neighborhood early learning centers, and all leasehold interests in centers shall be vested in the board or in another governmental unit as may be designated by the board;

(2) employ permanent or temporary employees as it may require, and determine their qualifications, duties, and compensation;

(3) use the services of the participating local public bodies and of other political subdivisions or public bodies whose jurisdiction includes all or a part of the area of the city of Minneapolis;

(4) sublease space or assign any of its leasehold interests to any public or private entity in connection with the programs described in subdivision 1;

(5) develop criteria and request proposals for the provision of services described in subdivision 1, clauses (2) and (3), by private entities which propose to provide these services to less than 100 children at any one location, and provide financial assistance to those private entities for the costs of managing and operating a facility and providing these services:

(6) receive funds or other assistance from both private and public sources; and

(7) take other action as it deems necessary or useful to carry out its responsibilities under this section.

The board shall not exercise any control over the content or curriculum of Head Start or any programs operated by special school district No. 1. The board shall expend a portion of the operating funds received by it from the city and the school district on the services provided under clause (5).

Subd. 4. [SUPPORT BY PARTICIPANTS AND OTHER PUBLIC BODIES.] The city of Minneapolis and special school district No. 1 are authorized to appropriate money to the board, to the Minneapolis community development agency, or to each other, for use in connection with neighborhood early learning centers and facilities described in subdivision 3, clause (5), and to undertake activities in support of the purposes of the board, including the acquisition, construction, equipping, and improving of neighborhood early learning centers. Any appropriations may be subject to any conditions that the appropriating entity may establish. Other political subdivisions and public bodies whose jurisdictions include all or a part of the city of Minneapolis, including the Minneapolis community development agency, are authorized to exercise any of their powers for the purposes for which the board may act and to acquire, construct, provide facilities for, and equip neighborhood early learning centers on behalf of the city or special school district No. 1. Any appropriations may be subject to the conditions that the appropriating entity may establish. Notwithstanding any limitations in Laws 1986, chapter 396, the city of Minneapolis may annually appropriate the proceeds of sales and use taxes collected or received by the city under Laws 1986, chapter 396, section 4, to the board or otherwise expend such funds in support of the board's purposes. Neighborhood early learning centers shall be an authorized use of such tax revenues under Laws 1986, chapter 396.

Sec. 24. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 295.367, is repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1, 5 to 8, and 17 are effective the day following final enactment. Section 3 is effective for tax payments due for sales made on or after October 1, 1992. Sections 9, 11, 15, and 16 are effective for sales made after June 30, 1992. Section 10 is effective for sales after June 30, 1991. Section 13 is retroactively effective for all open tax years, and thereafter. Section 14 is effective for sales after June 30, 1992, and before July 1, 1996. Section 24 is effective for sales after December 31, 1991.

ARTICLE 7

STATE TAXES: ADMINISTRATIVE AND TECHNICAL

Section 1. [13.701] [TAX DATA; CLASSIFICATION AND DISCLOSURE.]

Classification and disclosure of tax data created, collected, or maintained under chapters 290, 290A, 291, and 297A by the department of revenue is governed by chapter 270B.

Sec. 2. Minnesota Statutes 1990, section 60A.19, subdivision 6, is amended to read:

Subd. 6. [RETIALIATORY PROVISIONS.] (1) When by the laws of any other state or country any taxes, fines, deposits, penalties, licenses, or fees, other than assessments made by an insurance guaranty association or similar organization, in addition to or in excess of those imposed by the laws of this state upon foreign insurance companies and their agents doing business in this state, other than assessments made pursuant to section 60C.06 by an insurance guaranty association or similar organization organized under the laws of this state, are imposed on insurance companies of this state and their agents doing business in that state or country, or when any conditions precedent to the right to do business in that state are imposed by the laws thereof, beyond those imposed upon these foreign companies by the laws of this state, the same taxes, fines, deposits, penalties, licenses, fees, and conditions precedent shall be imposed upon every similar insurance company of that state or country and their agents doing or applying to do business in this state so long as these foreign laws remain in force. *Special purpose obligations or assessments, or assessments imposed in connection with particular kinds of insurance, are not taxes, licenses, or fees as these terms are used in this section.*

(2) In the event that a domestic insurance company, after complying with all reasonable laws and rulings of any other state or country, is refused permission by that state or country to transact business therein after the commissioner of commerce of Minnesota has determined that that company is solvent and properly managed and after the commissioner has so certified to the proper authority of that other state or country, then, and in every such case, the commissioner may forthwith suspend or cancel the certificate of authority of every insurance company organized under the laws of that other state or country to the extent that it insures, or seeks to insure, in this state against any of the risks or hazards which that domestic company seeks to insure against in that other state or country. Without limiting the application of the foregoing provision, it is hereby determined that any law or ruling of any other state or country which prescribes to a Minnesota domestic insurance company the premium rate or rates for life insurance issued or to be issued outside that other state or country shall not be reasonable.

(3) This section does not apply to insurance companies organized or domiciled in a state or country, the laws of which do not impose retaliatory taxes, fines, deposits, penalties, licenses, or fees or which grant, on a reciprocal basis, exemptions from retaliatory taxes, fines, deposits, penalties, licenses, or fees to insurance companies domiciled in this state.

Sec. 3. Minnesota Statutes 1991 Supplement, section 270A.04, subdivision 2, is amended to read:

Subd. 2. Any debt owed to a claimant agency shall ~~must not~~ be submitted by the agency for collection under the procedure established by sections 270A.01 to 270A.12 ~~unless if (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 there is a written payment agreement between the debtor and the claimant agency in which revenue recapture is prohibited and the debtor is complying with the agreement.~~ (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. 4. Minnesota Statutes 1990, section 270A.05, is amended to read:
270A.05 [MINIMUM SUM COLLECTIBLE.]

The minimum sum which a claimant agency may collect through use of the setoff procedure is ~~\$25~~ \$15.

Sec. 5. Minnesota Statutes 1990, section 270A.07, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION REQUIREMENT.] Any claimant agency, seeking collection of a debt through setoff against a refund due, shall submit to the commissioner information indicating the amount of each debt and information identifying the debtor, as required by section 270A.04, subdivision 3. ~~Where the notification is received before July 1, the notification shall be effective only to initiate set-off for claims against refunds that would be made in the same calendar year. Where the notification is received on or after July 1, the notification is effective only to begin setoff for claims against refunds that would be made in the next calendar year.~~

~~The claimant agency shall submit to the commissioner the amount of \$3 per certification. The payment must accompany the certification. The claimant agency shall increase the amount of each debt certified by \$3 and this total amount is subject to recapture. If the total debt is not recaptured by the commissioner, the \$3 addition to the debt may be collected by the claimant agency from the debtor and must be considered an obligation of the debtor. The \$3 will not be refunded if the recapture is not accomplished.~~

For each setoff of a debt against a refund due, the commissioner shall charge a fee of \$10. The claimant agency may add the fee to the amount of the debt.

The claimant agency shall notify the commissioner when a debt has been satisfied or reduced by at least \$200 within 30 days after satisfaction or reduction.

Sec. 6. Minnesota Statutes 1990, section 270A.07, subdivision 2, is amended to read:

Subd. 2. [SETOFF PROCEDURES.] (a) The commissioner, upon receipt of notification, shall initiate procedures to detect any refunds otherwise payable to the debtor. When the commissioner determines that a refund is due to a debtor whose debt was submitted by a claimant agency, the commissioner shall *first deduct the fee in subdivision 1 and then* remit the refund or the amount claimed, whichever is less, to the agency. In transferring or remitting moneys to the claimant agency, the commissioner shall provide information indicating the amount applied against each debtor's obligation and the debtor's address listed on the tax return.

(b) The commissioner shall remit to the debtor the amount of any refund due in excess of the debt submitted for setoff by the claimant agency. Notice of the amount setoff and address of the claimant agency shall accompany

any disbursement to the debtor of the balance of a refund.

Sec. 7. Minnesota Statutes 1991 Supplement, 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 the 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~~ can be setoff against a refund ~~unless the time period allowed by law for collecting the debt has expired,~~ 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.

Sec. 8. Minnesota Statutes 1990, section 270A.11, is amended to read:
270A.11 [DATA PRIVACY.]

Private and confidential data on individuals may be exchanged among the department, the claimant agency, and the debtor as necessary to accomplish and effectuate the intent of sections 270A.01 to 270A.12, as provided by section 13.05, subdivision 4, clause (b). The department may disclose to the claimant agency only the debtor's name, address, social security number and the amount of the refund, *and in the case of a joint return, the name of the debtor's spouse.* Any person employed by, or formerly employed by, a claimant agency who discloses any such information for any other purpose, shall be subject to the civil and criminal penalties of section 270B.18.

Sec. 9. Minnesota Statutes 1990, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A, 290, 290A, 291, and 297A, and includes any laws for the assessment, collection, and enforcement of those taxes.

Sec. 10. Minnesota Statutes 1991 Supplement, 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.

~~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. 11. [289A.43] [PROHIBITION OF SUITS TO RESTRAIN ASSESSMENT OR COLLECTION.]

Except for the express procedures in this chapter, chapters 270 and 271, and any other tax statutes for contesting the assessment or collection of taxes, penalties, or interest administered by the commissioner of revenue, no suit to restrain assessment or collection, including a declaratory judgment action, can be maintained in any court by any person.

Sec. 12. Minnesota Statutes 1990, section 289A.50, subdivision 5, is amended to read:

Subd. 5. [WITHHOLDING OF REFUNDS FROM CHILD SUPPORT DEBTORS.] (a) If a court of this state finds that a person obligated to pay child support is delinquent in making payments, the amount of child support unpaid and owing, including attorney fees and costs incurred in ascertaining or collecting child support, must be withheld from a refund due the person under chapter 290. The public agency responsible for child support enforcement or the parent or guardian of a child for whom the support, attorney fees, and costs are owed may petition the district or county court for an order providing for the withholding of the amount of child support, attorney fees, and costs unpaid and owing as determined by court order. The person from whom the refund may be withheld must be notified of the petition under the rules of civil procedure before the issuance of an order under this subdivision. The order may be granted on a showing to the court that required support payments, attorney fees, and costs have not been paid when they were due.

(b) On order of the court ~~and on payment of \$3 to the commissioner~~, the commissioner shall withhold the money from the refund due to the person obligated to pay the child support. The amount withheld shall be remitted to the public agency responsible for child support enforcement or to the parent or guardian petitioning on behalf of the child, after any delinquent tax obligations of the taxpayer owed to the revenue department have been satisfied *and after deduction of the fee prescribed in section 270A.07, subdivision 1*. An amount received by the responsible public agency or the petitioning parent or guardian in excess of the amount of public assistance spent for the benefit of the child to be supported, or the amount of any support, attorney fees, and costs that had been the subject of the claim under this subdivision that has been paid by the taxpayer before the diversion of the refund, must be paid to the person entitled to the money. If the refund is based on a joint return, the part of the refund that must be paid to the petitioner is the proportion of the total refund that equals the proportion of the total federal adjusted gross income of the spouses that is the federal adjusted gross income of the spouse who is delinquent in making the child support payments.

(c) A petition filed under this subdivision remains in effect with respect

to any refunds due under this section until the support money, attorney fees, and costs have been paid in full or the court orders the commissioner to discontinue withholding the money from the refund due the person obligated to pay the support, attorney fees, and costs. If a petition is filed under this subdivision and a claim is made under chapter 270A with respect to the individual's refund and notices of both are received before the time when payment of the refund is made on either claim, the claim relating to the liability that accrued first in time must be paid first. The amount of the refund remaining must then be applied to the other claim.

Sec. 13. Minnesota Statutes 1990, section 290.05, subdivision 4, is amended to read:

Subd. 4. (a) ~~Corporations, individuals, estates, trusts or organizations claiming exemption under subdivision 2 shall furnish information concerning their exempt status under the Internal Revenue Code.~~

~~(b) Corporations, individuals, estates, trusts, and organizations shall file with the commissioner of revenue a copy of an annual report that is required to be filed with the Internal Revenue Service, no later than ten days after filing it with the Internal Revenue Service. An annual report required of a pension plan under sections 6057 to 6059 of the Internal Revenue Code of 1954, does not need to be filed with the commissioner.~~

~~(c) If the Internal Revenue Service revokes, cancels or suspends, in whole or part, the exempt status of any corporation, individual, estate, trust or organization referred to in paragraph (a), or if the amount of gross income, deductions, credits, items of tax preference or taxable income is changed or corrected by either the taxpayer or the Internal Revenue Service, or if the taxpayer consents to any extension of time for assessment of federal income taxes, the corporation, individual, estate, trust or organization shall notify the commissioner in writing of the action within 90 days after that date.~~

~~(d) (b) The periods of limitations contained in section 289A.42, subdivision 2, apply when there has been any action referred to in paragraph (c) (a), notwithstanding any period of limitations to the contrary.~~

Sec. 14. Minnesota Statutes 1991 Supplement, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. [CREDIT ALLOWED.] An individual is allowed a credit against the tax imposed by this chapter equal to ten percent of the credit for which the individual is eligible under section 32 of the Internal Revenue Code of 1986, as amended through December 31, 1990.

~~For a nonresident, or part-year resident, or person who has earned income not subject to tax under this chapter, the credit determined under section 32 of the Internal Revenue Code of 1986, as amended through December 31, 1990, must be allocated based on the percentage of the total earned income of the claimant and the claimant's spouse that is derived from Minnesota sources calculated under section 290.06, subdivision 2c, paragraph (e).~~

For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income.

Sec. 15. Minnesota Statutes 1991 Supplement, 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, and excluding 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~~ seven 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. 16. Minnesota Statutes 1990, section 290.091, subdivision 6, is amended to read:

Subd. 6. [CREDIT FOR PRIOR YEARS' LIABILITY.] (a) A credit is allowed against the tax imposed by this chapter on individuals, trusts, and estates equal to the minimum tax credit for the taxable year. The minimum tax credit equals the adjusted net minimum tax for taxable years beginning after December 31, 1988, reduced by the minimum tax credits allowed in a prior taxable year. The credit may not exceed the excess (if any) for the taxable year of

(1) the regular tax, over

(2) the greater of (i) the tentative alternative minimum tax, or (ii) zero.

(b) The adjusted net minimum tax for a taxable year equals the lesser of the net minimum tax or the excess (if any) of

(1) the tentative minimum tax, over

(2) ~~six~~ seven percent of the sum of

(i) adjusted gross income as defined in section 62 of the Internal Revenue Code,

(ii) interest income as defined in section 290.01, subdivision 19a, clause (1),

(iii) interest on specified private activity bonds, as defined in section 57(a)(5) of the Internal Revenue Code, to the extent not included under clause (ii),

(iv) depletion as defined in section 57(a)(1) of the Internal Revenue Code, less

(v) the deductions provided in clauses (3)(i), (3)(ii), and (3)(iii) of subdivision 2, paragraph (a), and

(vi) the exemption amount determined under subdivision 3.

In the case of an individual who is not a Minnesota resident for the entire year, adjusted net minimum tax must be multiplied by the fraction defined in section 290.06, subdivision 2c, paragraph (e). In the case of a trust or estate, adjusted net minimum tax must be multiplied by the fraction defined under subdivision 4, paragraph (b).

Sec. 17. Minnesota Statutes 1991 Supplement, 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.

(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. 18. Minnesota Statutes 1991 Supplement, 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~~ 289A.08, subdivision 3, 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:

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

the tax equals:

(b) A tax is imposed annually beginning in 1990 on a corporation required to file a return under section ~~290.41, subdivision 4~~ 289A.12, subdivision 3, 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 4~~ 289A.12, subdivision 3, 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 for the taxpayer due under section ~~290.41, subdivision 4~~ for the calendar year following the calendar year in which the tax is imposed 289A.18, subdivision 1. 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:

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

the tax equals:

\$20,000,000 or more

\$5,000

Sec. 19. Minnesota Statutes 1990, section 290A.03, subdivision 8, is amended to read:

Subd. 8. [CLAIMANT.] (a) "Claimant" means a person, other than a dependent, who filed a claim authorized by this chapter and who was a resident of this state as provided in chapter 290 during the calendar year for which the claim for relief was filed.

(b) In the case of a claim relating to rent constituting property taxes, the claimant shall have resided in a rented or leased unit on which ad valorem taxes or payments made in lieu of ad valorem taxes, including payments of special assessments imposed in lieu of ad valorem taxes, are payable at some time during the calendar year covered by the claim.

(c) "Claimant" shall not include a resident of a nursing home, intermediate care facility, or long-term residential facility whose rent constituting property taxes is paid pursuant to the supplemental security income program under title XVI of the Social Security Act, the Minnesota supplemental aid program under sections 256D.35 to 256D.41, the medical assistance program pursuant to title XIX of the Social Security Act, or the general assistance medical care program pursuant to section 256D.03, subdivision 3. If only a portion of the rent constituting property taxes is paid by these programs, the resident shall be a claimant for purposes of this chapter, but the refund calculated pursuant to section 290A.04 shall be multiplied by a fraction, the numerator of which is income as defined in subdivision 3, *paragraphs (1) and (2)*, reduced by the total amount of income from the above sources other than vendor payments under the medical assistance program or the general assistance medical care program and the denominator of which is income as defined in subdivision 3, *paragraphs (1) and (2)*, plus vendor payments under the medical assistance program or the general assistance medical care program, to determine the allowable refund pursuant to this chapter.

(d) Notwithstanding paragraph (c), if the claimant was a resident of the nursing home, intermediate care facility or long-term residential facility for only a portion of the calendar year covered by the claim, the claimant may compute rent constituting property taxes by disregarding the rent constituting property taxes from the nursing home, intermediate care facility, or long-term residential facility and use only that amount of rent constituting property taxes or property taxes payable relating to that portion of the year when the claimant was not in the facility. The claimant's household income is the income for the entire calendar year covered by the claim.

(e) In the case of a claim for rent constituting property taxes of a part-year Minnesota resident, the income and rental reflected in this computation shall be for the period of Minnesota residency only. Any rental expenses paid which may be reflected in arriving at federal adjusted gross income cannot be utilized for this computation. When two individuals of a household are able to meet the qualifications for a claimant, they may determine among them as to who the claimant shall be. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. If a homestead property owner was a part-year Minnesota resident, the income reflected in the computation made pursuant to section 290A.04 shall be for the entire calendar year, including income not assignable to Minnesota.

(f) If a homestead is occupied by two or more renters, who are not husband and wife, the rent shall be deemed to be paid equally by each, and separate claims shall be filed by each. The income of each shall be each renter's household income for purposes of computing the amount of credit to be allowed.

Sec. 20. Minnesota Statutes 1990, section 290A.19, is amended to read:

290A.19 [OWNER OR MANAGING AGENT TO FURNISH RENT CERTIFICATE.]

(a) The owner or managing agent of any property for which rent is paid for occupancy as a homestead must furnish a certificate of rent constituting property tax to a person who is a renter on December 31, in the form prescribed by the commissioner. If the renter moves before December 31, the owner or managing agent may give the certificate to the renter at the time of moving, or mail the certificate to the forwarding address if an address has been provided by the renter. The certificate must be made available to the renter before February 1 of the year following the year in which the rent was paid. The owner or managing agent must retain a duplicate of each certificate or an equivalent record showing the same information for a period of three years. The duplicate or other record must be made available to the commissioner upon request.

(b) The certificate of rent constituting property taxes must include the address of the property, including the county, and the property tax parcel identification number and any additional information that the commissioner determines is appropriate.

(c) If the owner or managing agent fails to provide the renter with a certificate of rent constituting property taxes, the commissioner shall allocate the net tax on the building to the unit on a square footage basis or other appropriate basis as the commissioner determines. The renter shall supply the commissioner with a statement from the county treasurer that gives the amount of property tax on the parcel, the address and property tax parcel identification number of the property, and the number of units in the building.

(d) ~~By June 30, for taxes payable in 1990 and May 30 for taxes payable in 1991 and thereafter January 31 of the year following the year in which the rent was collected,~~ each owner or managing agent shall report to the commissioner on a form prescribed by the commissioner the net tax pertaining to the rental residential part of the property, the total scheduled rent, and the fraction computed under section 290A.03, subdivision 11. A copy of the property tax statement for taxes payable in that year must be attached.

Sec. 21. Minnesota Statutes 1990, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of sections 297A.25, subdivision 42, and 297A.257 the tax on sales of capital equipment, and construction materials and supplies under section 297A.257, shall be imposed and collected as if the ~~rate rates~~ under ~~section sections~~ 297A.02, subdivision 1, and 297A.021 applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the exemption under section 297A.25, subdivision 42, or 297A.257 shall be paid to the purchaser. In the case of building materials qualifying under section

297A.257 where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.25, subdivision 42, or capital equipment or construction materials and supplies under section 297A.257. No more than two applications for refunds may be filed under this subdivision in a calendar year. Unless otherwise specifically provided by this subdivision, the provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

Sec. 22. Minnesota Statutes 1990, section 297A.15, subdivision 6, is amended to read:

Subd. 6. [REFUND; APPROPRIATION.] The tax on the gross receipts from the sale of items exempt under section 297A.25, subdivision 43, must be imposed and collected as if the sale were taxable and the ~~rate~~ rates under ~~section~~ sections 297A.02, subdivision 1, and 297A.021 applied.

Upon application by the owner of the homestead property on forms prescribed by the commissioner, a refund equal to the tax paid on the gross receipts of the building materials and equipment must be paid to the homeowner. In the case of building materials in which the tax was paid by a contractor, application must be made by the homeowner for the sales tax paid by the contractor. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The contractor must furnish to the homeowner a statement of the cost of building materials and the sales taxes paid on the materials. The amount required to make the refunds is annually appropriated to the commissioner. Interest must be paid on the refund at the rate in section 270.76 from 60 days after the date the refund claim is filed with the commissioner.

Sec. 23. Minnesota Statutes 1990, section 541.07, is amended to read:
541.07 [TWO- OR THREE-YEAR LIMITATIONS.]

Except where the Uniform Commercial Code, this section, section 148A.06, or section 541.073 otherwise prescribes, the following actions shall be commenced within two years:

(1) For libel, slander, assault, battery, false imprisonment, or other tort, resulting in personal injury, and all actions against physicians, surgeons, dentists, other health care professionals as defined in section 145.61, and veterinarians as defined in chapter 156, hospitals, sanitariums, for malpractice, error, mistake or failure to cure, whether based on contract or tort; provided a counterclaim may be pleaded as a defense to any action for services brought by a physician, surgeon, dentist, or other health care professional or veterinarian, hospital or sanitarium, after the limitations herein described notwithstanding it is barred by the provisions of this chapter, if it was the property of the party pleading it at the time it became barred and was not barred at the time the claim sued on originated, but no judgment thereof except for costs can be rendered in favor of the party so pleading it;

(2) Upon a statute for a penalty or forfeiture, except as provided in sections 541.074 and 541.075:

(3) For damages caused by a dam, other than a dam used for commercial purposes; but as against one holding under the preemption or homestead laws, the limitations shall not begin to run until a patent has been issued for the land so damaged:

(4) Against a master for breach of an indenture of apprenticeship: the limitation runs from the expiration of the term of service:

(5) For the recovery of wages or overtime or damages, fees or penalties accruing under any federal or state law respecting the payment of wages or overtime or damages, fees or penalties except, that if the employer fails to submit payroll records by a specified date upon request of the department of labor and industry or if the nonpayment is willful and not the result of mistake or inadvertence, the limitation is three years. (The term "wages" means all remuneration for services or employment, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages" means single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists):

(6) For damages caused by the establishment of a street or highway grade or a change in the originally established grade:

(7) For sales or use taxes imposed by the laws of any other state:

(8) Against the person who applies the pesticide for injury or damage to property resulting from the application, but not the manufacture or sale, of a pesticide.

Sec. 24. Laws 1991, chapter 291, article 7, section 27, is amended to read:

Sec. 27. [EFFECTIVE DATE.]

Sections 2, 4, 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, 11, 12, 13, 20, and 25 are effective for taxable years beginning after December 31, 1989.

Sec. 25. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete the note after section 290A.19. Effective August 1, 1990, the amendment to Minnesota Statutes, section 290A.19, made by Laws 1990, chapter 480, article 1, section 38, paragraph (c), is of no effect.

Sec. 26. [REPEALER.]

Minnesota Statutes 1990, sections 289A.12, subdivision 1; 290.48, subdivision 7; and 297.32, subdivision 7, are repealed.

Sec. 27. [EFFECTIVE DATES.]

Sections 2, 3, 7 to 9, 11, 17, 18, 24, and 26 are effective the day following final enactment.

Sections 4, 5, 6, and 12 are effective for refund offsets made on or after July 1, 1992.

Section 10 is effective for payments with corporate franchise tax returns due on or after January 1, 1992.

Section 13 is effective for returns that would have been due after the date of final enactment.

Section 14 is effective for tax years beginning after December 31, 1991.

Sections 15 and 16 are effective for tax years beginning after December 31, 1990.

Section 19 is effective beginning for claims based on rent paid in 1992.

Section 20 is effective beginning with returns based on rent collected in 1992.

Sections 21 and 22 are effective retroactively for all purchases made after December 31, 1991.

Section 23 is effective for causes of action arising on or after the day following final enactment, and for causes of action arising before that date that have not expired as of the day following final enactment.

ARTICLE 8

LOCAL DEVELOPMENT

Section 1. [290.069] [DESIGNATED COUNTIES JOB CREATION CREDIT.]

Subdivision 1. [DESIGNATION OF COUNTIES.] The commissioner of trade and economic development shall certify counties as designated counties. A county is a designated county if:

(1) the county has had a decline in population of ten percent or more from 1980 to 1990, as determined by the 1990 federal decennial census;

(2) the county has adopted a county-wide economic development plan;

(3) the county has been designated a star county by the department of trade and economic development; and

(4) each statutory and home rule charter city in the county has established an economic development authority under sections 469.090 to 469.108.

Subd. 2. [CREDIT FOR JOB CREATION.] A business with operations located in a designated county may take a credit against the tax due under chapter 290 for its first taxable year beginning after December 31, 1992, and before January 1, 1994. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation, and "eligible employees" are determined as the number of persons paid an annual wage of at least \$15,000 and employed by the business within the designated county on a full-time basis on the last day of the taxable year, not to exceed the number of persons paid an annual wage of at least \$15,000 and employed by the business on a full-time basis within the designated county on the date 90 days before the last day of the taxable year. A credit is provided only for the number of eligible employees that exceeds the number of such persons so employed on the last day of the preceding taxable year. A person is not an eligible employee if the commissioner of trade and economic development determines that the position

held by that employee in the business was transferred from an enterprise conducted by substantially the same business enterprise at another site in the state. The credit is equal to \$2,000 multiplied by the number of eligible employees. The credit is not refundable.

Subd. 3. [LIMITATION.] Tax credits provided under this section may not exceed \$100,000. If by April 15, 1994, the commissioner of revenue determines that the estimated total amount of credits claimed under this section exceeds \$100,000, the commissioner shall reduce the credit granted for each eligible employee proportionately.

Sec. 2. [298.227] [TACONITE ECONOMIC DEVELOPMENT FUND.]

An amount equal to 10.4 cents per taxable ton distributed pursuant to each taconite producer's taxable production under section 298.28, subdivision 9a, for production years 1992 and 1993 shall be held by the iron range resources and rehabilitation board in a separate taconite economic development fund for each taconite producer. Money from the fund for each producer shall be released only on the written authorization of a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The district 33 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. Each producer's joint committee may authorize release of the funds held pursuant to this section only for acquisition of equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology. Funds may be released only upon a majority vote of the representatives of the committee. Any portion of the fund which is not released by a joint committee within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. This section shall be effective for taxes payable in 1993 and 1994.

Sec. 3. Minnesota Statutes 1990, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) For concentrate produced in ~~1990~~ 1992 and 1993 there is hereby imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of ~~\$1.975~~ \$2.054 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in ~~1994~~ 1994 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" for the gross national product means the implicit price deflator prepared by the bureau of economic analysis of the United States Department of Commerce.

(c) The tax shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will

be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of ~~\$1.975~~ \$2.054 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(e) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

Sec. 4. Minnesota Statutes 1990, section 298.28, is amended by adding a subdivision to read:

Subd. 9a. [TACONITE ECONOMIC DEVELOPMENT FUND.] 10.4 cents per ton for distributions in 1993 and 1994 shall be paid to the taconite economic development fund. No distribution shall be made under this subdivision in any year in which total industry production falls below 30 million tons.

Sec. 5. Minnesota Statutes 1990, section 383.06, is amended to read:

383.06 [PAYMENT OF WARRANTS; ACCOUNTS; HOW KEPT; CERTIFICATES OF INDEBTEDNESS TO RETIRE OUTSTANDING WARRANTS.]

Subdivision 1. [PAYMENT OF WARRANTS.] The county treasurer shall pay warrants only from the fund from which they are legally payable. Payments under any special contract shall be kept separate under the name of such contract, and under the general title of the fund from which such payment may be legally made. The treasurer need not keep a specific appropriations account separately, but shall keep a general appropriations account.

Subd. 2. [TAX ANTICIPATION CERTIFICATES.] The county board may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not at any time exceed 50 percent of the amount of taxes previously levied for such fund remaining uncollected; ~~and~~. No certificate shall be issued to become due and payable later than ~~December 31 of the year succeeding the year in which the tax levy was made~~ 15 months after the deadline for the certification of the property tax levy under section 275.07, subdivision 1, and the certificates shall not be sold for less than par and accrued interest. ~~No such certificates shall be issued prior to the beginning of the fiscal year for which the taxes so anticipated were intended; except that when taxes shall have been levied for the purpose of paying a deficit in any such fund carried over from any previous year or years~~ The certificates of indebtedness in anticipation of collection of the taxes levied for such deficit may be issued at any time after ~~such the levy shall have~~ has been finally made and certified to the county

auditor. Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose. They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Money derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 6. Minnesota Statutes 1990, section 401.02, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT AND REORGANIZATION OF ADMINISTRATIVE STRUCTURE.] Any county or group of counties which have qualified for participation in the community corrections subsidy program provided by this chapter may, ~~after consultation with the judges of the district court, county court, municipal court, probate court and juvenile court having jurisdiction in the county or group of counties~~ establish, organize, and reorganize an administrative structure and provide for the budgeting, staffing and operation of court services and probation, ~~construction or improvement to juvenile detention and juvenile correctional facilities and adult detention and correctional facilities~~, and other activities required to conform to the purposes of this chapter. No contrary general or special statute divests any county or group of counties of the authority granted by this subdivision. ~~This subdivision does not apply to Ramsey County or Hennepin County or to the counties in the Arrowhead region. In Hennepin County and Ramsey County the county board and the judges of the district court, county court, municipal court, probate court and juvenile court shall prepare and implement a joint plan for reorganization of correctional services in the county providing for the administrative structure and providing for the budgeting, staffing and operation of court services and probation, juvenile detention and juvenile correctional facilities, and other activities required to conform to the purposes of this chapter. The joint plan shall be subject to the approval of the commissioner of corrections and submitted to the legislature on or before January 15, 1983.~~

Sec. 7. Minnesota Statutes 1990, section 401.05, is amended to read:

401.05 [FISCAL POWERS.]

Subdivision 1. [AUTHORIZATION TO USE AND ACCEPT FUNDS.] Any county or group of counties electing to come within the provisions of sections 401.01 to 401.16, may, through their governing bodies, use unexpended funds, accept gifts, grants and subsidies from any lawful source, and apply for and accept federal funds.

Subd. 2. [CAPITAL IMPROVEMENTS; BONDS; LEASES.] (a) Any county or group of counties which acquires facilities pursuant to section 401.04 or constructs the facilities may finance the acquisition or construction and the equipping and subsequent improvement of the facilities in whole or in part by:

(1) the issuance of general obligation bonds of the county or group of counties in the manner provided in chapter 475; or

(2) the issuance of revenue bonds, secured by a lease agreement as provided in subdivision 3 and sections 469.152 to 469.165, by a city situated in any of the counties or a county housing and redevelopment authority established pursuant to chapter 469 or special law.

Proceedings for the issuance of general obligation bonds shall be instituted by the board of county commissioners of the county or boards of the group of counties.

(b) If counties have combined as authorized in section 401.02, the joint powers board created under section 471.59 shall, with the approval of the county board of each county which is a party:

(1) fix the total amount necessary for the construction or acquisition and the equipping and subsequent improvement of the facilities; and

(2) apportion to each county its share of this amount or of the annual debt service or lease rentals required to pay this amount with interest, as provided in subdivision 4.

Subd. 3. [LEASING.] (a) A county or joint powers board of a group of counties which acquires or constructs and equips or improves facilities under this chapter may, with the approval of the board of county commissioners of each county, enter into a lease agreement with a city situated within any of the counties, or a county housing and redevelopment authority established under chapter 469 or any special law. Under the lease agreement, the city or county housing and redevelopment authority shall:

(1) construct or acquire and equip or improve a facility in accordance with plans prepared by or at the request of a county or joint powers board of the group of counties and approved by the commissioner of corrections; and

(2) finance the facility by the issuance of revenue bonds.

(b) The county or joint powers board of a group of counties may lease the facility site, improvements, and equipment for a term upon rental sufficient to produce revenue for the prompt payment of the revenue bonds and all interest accruing on them. Upon completion of payment, the lessee shall acquire title. The real and personal property acquired for the facility constitutes a project and the lease agreement constitutes a revenue agreement as provided in sections 469.152 to 469.165. All proceedings by the city or county housing and redevelopment authority and the county or joint powers board shall be as provided in sections 469.152 to 469.165, with the following adjustments:

(1) no tax shall be imposed upon the property;

(2) the approval of the project by the commissioner of trade and economic development shall not be required;

(3) the department of corrections shall be furnished and shall record information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of trade and economic development or energy and economic development authority;

(4) the rentals required to be paid under the lease agreement shall not

exceed in any year one-tenth of one percent of the market value of property within the county or group of counties as last equalized before the execution of the lease agreement;

(5) the county or group of counties shall provide for payment of all rentals due during the term of the lease agreement in the manner required in subdivision 4;

(6) no mortgage on the facilities shall be granted for the security of the bonds, but compliance with clause (5) may be enforced as a nondiscretionary duty of the county or group of counties; and

(7) the county or the joint powers board of the group of counties may sublease any part of the facilities for purposes consistent with their maintenance and operation.

Subd. 4. [TAX LEVIES; APPORTIONMENT OF COSTS.] The county or each county of the group of counties shall annually levy a tax in an amount necessary to defray its proportion of the net costs of maintenance and operation of the facilities, and shall levy a tax to pay the cost of construction or acquisition, equipping, and any subsequent improvement to the facilities or the retirement of any bonds or required lease payments for these purposes. Each county may levy these taxes without limitation on the rate or amount. This levy shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount. A joint powers board of the group of counties shall apportion the costs of maintenance and operation, construction or acquisition, equipping, and subsequent improvement of the facilities to each of the counties according to a formula in the agreement entered into by the counties.

Subd. 5. [CORRECTIONAL FACILITIES FUND.] All money received for the operation and maintenance, payment of indebtedness or lease payments, and construction or acquisition, equipping, and subsequent improvement of the facilities shall be deposited in a correctional facilities fund maintained in the treasury of the county in which the facilities are located or any county treasury of the group of counties as designated by the joint powers board. Payments from the fund shall only be made upon certification of the chair or board designee that the expenditures have been approved at a meeting of the board.

Sec. 8. Minnesota Statutes 1990, section 469.004, subdivision 1, is amended to read:

Subdivision 1. [PRELIMINARY COUNTY FINDINGS AND DECLARATION.] There is created in each county in this state ~~other than Ramsey~~ ~~and~~ other than those counties in which a county housing authority has been created by special act, a public body, corporate and politic, to be known as the housing and redevelopment authority of that county, hereinafter referred to as "county authority." No county authority shall transact any business or exercise any powers until the governing body of the county, by resolution, finds that there is need for a county authority to function in the county. The governing body shall consider the need for a county authority to function (1) on the governing body's own motion or (2) upon the filing of a petition signed by 25 qualified voters of the county asserting that there is need for a county authority to function in the county and requesting that the governing body so declare. The governing body shall adopt a resolution declaring that there is need for a county authority to function in the county

if it makes the findings required in section 469.003, subdivision 1.

Sec. 9. Minnesota Statutes 1990, section 469.004, is amended by adding a subdivision to read:

Subd. 1a. [RAMSEY COUNTY AUTHORITY.] Ramsey county may exercise the powers of a housing and redevelopment authority. Before the commencement of a project by Ramsey county acting as a housing and redevelopment authority, the governing body of the municipality in which the project is to be located shall, by majority vote, approve the project as recommended by the authority.

Sec. 10. Minnesota Statutes 1990, section 469.034, is amended to read:
469.034 [BOND ISSUE FOR CORPORATE PURPOSES.]

Subdivision 1. [AUTHORITY AND REVENUE OBLIGATIONS.] An authority may issue bonds for any of its corporate purposes. The bonds may be the type the authority determines, including bonds on which the principal and interest are payable exclusively from the income and revenues of the project financed with the proceeds of the bonds, or exclusively from the income and revenues of certain designated projects, whether or not they are financed in whole or in part with the proceeds of the bonds. The bonds may be additionally secured by (1) a pledge of any grant or contributions from the federal government or other source, or (2) a pledge of any income or revenues of the authority from the project for which the proceeds of the bonds are to be used, or (3) a mortgage of any project or other property of the authority.

Subd. 2. [GENERAL OBLIGATION REVENUE BONDS.] (a) An authority may pledge the general obligation of the general jurisdiction governmental unit as additional security for bonds payable from income or revenues of the project or the authority. The authority must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds for each year. The proceeds of the bonds must be used for a qualified housing development project or projects. The obligations must be issued and sold in the manner and following the procedures provided by chapter 475 and the authority shall be the municipality, except the obligations are not subject to approval by the electors.

(b) The principal amount of the issue must be approved by the governing body of the general jurisdiction governmental unit whose general obligation is pledged. Public hearings must be held on issuance of the obligations by both the authority and the general jurisdiction governmental unit. The hearings must be held at least 15 days, but not more than 120 days, before the sale of the obligations.

(c) The maximum amount of general obligation bonds that may be issued and outstanding under this section equals the greater of (1) one-half of one percent of the taxable market value of the general jurisdiction governmental unit whose general obligation which includes a tax on property is pledged or (2) \$3,000,000. In the case of county or multicounty general obligation bonds, the outstanding general obligation bonds of all cities in the county or counties issued under this subdivision must be added in calculating the limit under clause (1).

(d) "General jurisdiction governmental unit" means the city in which the housing development project is located. In the case of a county or multicounty authority, the county or counties may act as the general jurisdiction

governmental unit. In the case of a multicounty authority, the pledge of the general obligation is a pledge of a tax on the taxable property in each of the counties.

“Qualified housing development project” means a housing development project providing housing for persons and families with incomes not greater than 80 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 in which the project is located, as the case may be, or for elderly persons. Other persons and families with incomes in excess of such limit may be admitted to a project if the authority finds that (1) due to changes in population or other unforeseen circumstances occurring after the initial finding of adequate revenues made upon issuance of the bonds, the project is experiencing unanticipated vacancies resulting in insufficient revenues and (2) a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if such other persons and families are not admitted to the project.

Subd. 3. [REVENUE FROM OTHER PROJECTS.] No proceeds of bonds issued for or revenue authorized for or derived from any redevelopment project or area shall be used to pay the bonds or costs of, or make contributions or loans to, any public housing project. The proceeds of bonds issued for or revenues authorized for or derived from any one public housing project shall not be used to pay the bonds or costs of, or make contributions or loans to any other public housing project until the bonds and costs of the public housing project for which those bonds were issued or from which those revenues were derived or for which they were authorized shall be fully paid.

Subd. 4. [BOND TERMS.] Neither the commissioners of an authority nor any person executing the bonds shall be liable personally on the bonds by reason of the issuance thereof. Except as provided in subdivision 2, the bonds of an authority shall not be a debt of the city, the state, or any political subdivision, and neither the city nor the state or any political subdivision shall be liable on them, nor shall the bonds be payable out of any funds or properties other than those of the authority; the bonds shall state this on their face. The bonds shall not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction, except as provided in subdivision 2. Bonds of an authority are declared to be issued for an essential public and governmental purpose and to be public instrumentalities.

Subd. 5. [TAX EXEMPTION.] The provisions of sections 469.001 to 469.047 exempting from taxation authorities, their properties and income, shall be considered additional security for the repayment of bonds and shall constitute, by virtue of sections 469.001 to 469.047 and without the same being restated in the bonds, a contract between the (1) bondholders and each of them, including all transferees of the bonds, and (2) the respective authorities issuing the bonds and the state. An authority may by covenant confer upon the holder of the bonds the rights and remedies it deems necessary or advisable, including the right in the event of default to have a receiver appointed to take possession of and operate the project. When the obligations issued by an authority to assist in financing the development of a project have been retired and federal contributions have been discontinued, the exemptions from taxes and special assessments for that project shall terminate.

Sec. 11. Minnesota Statutes 1990, section 469.153, subdivision 2, is amended to read:

Subd. 2. [PROJECT.] (a) "Project" means (1) any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in generating, transmitting, or distributing electricity, assembling, fabricating, manufacturing, mixing, processing, storing, warehousing, or distributing any products of agriculture, forestry, mining, or manufacture, or in research and development activity in this field; (2) any properties, real or personal, used or useful in the abatement or control of noise, air, or water pollution, or in the disposal of solid wastes, in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged or to be engaged in any business or industry; (3) any properties, real or personal, used or useful in connection with the business of telephonic communications, conducted or to be conducted by a telephone company, including toll lines, poles, cables, switching, and other electronic equipment and administrative, data processing, garage, and research and development facilities; (4) any properties, real or personal, used or useful in connection with a district heating system, consisting of the use of one or more energy conversion facilities to produce hot water or steam for distribution to homes and businesses, including cogeneration facilities, distribution lines, service facilities, and retrofit facilities for modifying the user's heating or water system to use the heat energy converted from the steam or hot water.

(b) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, or any combination of two or more such enterprises engaged in any business.

(c) "Project" also includes any properties, real or personal, used or useful for the promotion of tourism in the state. Properties may include hotels, motels, lodges, resorts, recreational facilities of the type that may be acquired under section 471.191, and related facilities.

(d) "Project" also includes any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit, engaged in providing health care services, including hospitals, nursing homes, and related medical facilities.

(e) "Project" does not include any property to be sold or to be affixed to or consumed in the production of property for sale, and does not include any housing facility to be rented or used as a permanent residence.

(f) "Project" also means the activities of any revenue producing enterprise involving the construction, fabrication, sale, or leasing of equipment or products to be used in gathering, processing, generating, transmitting, or distributing solar, wind, geothermal, biomass, agricultural or forestry energy crops, or other alternative energy sources for use by any person or any residential, commercial, industrial, or governmental entity in heating, cooling, or otherwise providing energy for a facility owned or operated by that person or entity.

(g) "Project" also includes any properties, real or personal, used or useful in connection with a county jail or county regional jail, *community corrections facilities authorized by chapter 401, or other law enforcement facilities*, the plans for which are approved by the commissioner of corrections; provided that the provisions of section 469.155, subdivisions 7

and 13, do not apply to those projects.

(h) "Project" also includes any real properties used or useful in furtherance of the purposes and policies of sections 469.135 to 469.141.

(i) "Project" also includes related facilities as defined by section 471A.02, subdivision 11.

(j) "Project" also includes an undertaking to purchase the obligations of local governments located in whole or in part within the boundaries of the municipality that are issued or to be issued for public purposes.

Sec. 12. Minnesota Statutes 1990, section 641.24, is amended to read:
641.24 [LEASING.]

The county may, by resolution of the county board, enter into a lease agreement with any statutory or home rule charter city situated within the county, or a county housing and redevelopment authority established pursuant to chapter 462 469 or any special law whereby the city or county housing and redevelopment authority will construct a jail *or other law enforcement facilities for the county sheriff, deputy sheriffs, and other employees of the sheriff and other law enforcement agencies*, in accordance with plans prepared by or at the request of the county board and, *when required*, approved by the commissioner of corrections and will finance it by the issuance of revenue bonds, and the county may lease the ~~jail~~ site and improvements for a term and upon rentals sufficient to produce revenue for the prompt payment of the bonds and all interest accruing thereon and, upon completion of payment, will acquire title thereto. The real and personal property acquired for the jail shall constitute a project and the lease agreement shall constitute a revenue agreement as contemplated in chapter 474 469, and all proceedings shall be taken by the city or county housing and redevelopment authority and the county in the manner and with the force and effect provided in chapter 474 469; provided that:

(1) no tax shall be imposed upon or in lieu of a tax upon the property;

(2) the approval of the project by the commissioner of commerce shall not be required;

(3) the department of corrections shall be furnished and shall record such information concerning each project as it may prescribe, in lieu of reports required on other projects to the commissioner of trade and economic development;

(4) the rentals required to be paid under the lease agreement shall not exceed in any year one-tenth of one percent of the market value of property within the county, as last finally equalized before the execution of the agreement;

(5) the county board shall provide for the payment of all rentals due during the term of the lease, in the manner required in section 641.264, subdivision 2;

(6) no mortgage on the ~~jail~~ property shall be granted for the security of the bonds, but compliance with clause (5) hereof may be enforced as a nondiscretionary duty of the county board; and

(7) the county board may sublease any part of the jail property for purposes consistent with the maintenance and operation of a county jail *or other law enforcement facility*.

Sec. 13. Laws 1971, chapter 773, section 1, subdivision 2, as amended by Laws 1974, chapter 351, section 5, Laws 1976, chapter 234, section 7, Laws 1978, chapter 788, section 1, Laws 1981, chapter 369, section 1, Laws 1983, chapter 302, section 1, and Laws 1988, chapter 513, section 1, is amended to read:

Subd. 2. For each of the years through ~~1993, inclusive~~ 1998, the city of St. Paul is authorized to issue bonds in the aggregate principal amount of \$8,000,000 for each year; or in an amount equal to one-fourth of one percent of the assessors estimated market value of taxable property in St. Paul, whichever is greater, provided that no more than \$8,000,000 of bonds is authorized to be issued in any year, unless St. Paul's local general obligation debt as defined in this section is less than six percent of market value calculated as of December 31 of the preceding year; but at no time shall the aggregate principal amount of bonds authorized exceed ~~\$11,300,000 in 1987, \$12,000,000 in 1988, \$13,300,000 in 1989, \$14,000,000 in 1990, \$14,800,000 in 1991, \$15,700,000 in 1992, and \$16,600,000 in 1993, \$16,600,000 in 1994, \$16,600,000 in 1995, \$17,500,000 in 1996, \$17,500,000 in 1997, and \$18,000,000 in 1998.~~

Sec. 14. Laws 1971, chapter 773, section 2, as amended by Laws 1978, chapter 788, section 2, Laws 1983, chapter 302, section 2, and Laws 1988, chapter 513, section 2, is amended to read:

Sec. 2. The proceeds of all bonds issued pursuant to section 1 hereof shall be used exclusively for the acquisition, construction, and repair of capital improvements and, commencing in the year ~~1989~~ 1992 and notwithstanding any provision in Laws 1978, chapter 788, section 5, as amended, for redevelopment project activities as defined in Minnesota Statutes, section 469.002, subdivision 14, in accordance with Minnesota Statutes, section 469.041, clause (6). The amount of proceeds of bonds authorized by section 1 used for redevelopment project activities shall not exceed ~~\$530,000 in 1988, \$560,000 in 1989, \$590,000 in 1990, \$620,000 in 1991, \$655,000 in 1992, and \$690,000 in 1993, \$690,000 in 1994, \$690,000 in 1995, \$700,000 in 1996, \$700,000 in 1997, and \$725,000 in 1998.~~

None of the proceeds of any bonds so issued shall be expended except upon projects which have been reviewed, and have received a priority rating, from a capital improvements committee consisting of 18 members, of whom a majority shall not hold any paid office or position under the city of St. Paul. The members shall be appointed by the mayor, with at least four members from each Minnesota senate district located entirely within the city and at least two members from each senate district located partly within the city. Prior to making an appointment to a vacancy on the capital improvement budget committee, the mayor shall consult the legislators of the senate district in which the vacancy occurs. The priorities and recommendations of the committee shall be purely advisory, and no buyer of any bonds shall be required to see to the application of the proceeds.

Sec. 15. [SPECIAL SERVICE DISTRICT: CITY OF HUTCHINSON.]

Subdivision 1. [SPECIAL SERVICES DEFINED.] For purposes of this section, "special services" means all services rendered or contracted for by the city of Hutchinson, 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;*

(3) *development and promotional services rendered or contracted for by the city; and*

(4) *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 Hutchinson may adopt an ordinance establishing a special service district to be operated by the city of Hutchinson. Minnesota Statutes, chapter 428A, governs the establishment and operation of special service districts in the city.

Sec. 16. [CITY OF MINNEAPOLIS: PLAZA AND PARKING BONDS.]

Subdivision 1. [ISSUANCE AUTHORIZED.] The city of Minneapolis may issue and sell general obligation bonds for the acquisition of land for and the construction of:

(a) *a plaza and public parking facility adjacent to a federal courts facility to be located in downtown Minneapolis;*

(b) *a city garage and parking facility to replace facilities located on property to be used for the federal courts facility; and*

(c) *a connecting tunnel and other appurtenant facilities.*

Subd. 2. [CONDITIONS.] The bonds shall be issued and sold pursuant to Minnesota Statutes, chapter 475, except that the bonds are not subject to the election requirements of chapter 475 or the charter of the city regardless of the amount of the bonds. The bonds shall not be included in computing the net debt of the city under law or charter. The powers granted by this section are in addition to the powers which the city may exercise under other law or charter.

Sec. 17. [APPROPRIATION.]

\$1,000,000 is appropriated from the general fund to the commissioner of the Minnesota housing finance agency to be deposited in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section. \$1,000,000 is appropriated from the general fund to the commissioner of the Minnesota housing finance agency to be used for acquisition and rehabilitation of blighted residential property as provided in Minnesota Statutes, section 462A.05, subdivision 37.

Sec. 18. [REPEALER.]

Section 1 is repealed, effective for taxable years beginning after December 31, 1993.

Minnesota Statutes 1990, section 298.24, subdivision 4, is repealed.

Sec. 19. [EFFECTIVE DATE.]

Section 5 is effective for certificates of indebtedness issued after the day of final enactment. Sections 6, 7, 11, and 12 are effective on the day following final enactment.

ARTICLE 9
MISCELLANEOUS

Section 1. [8.17] [STATE COLLECTIONS.]

By September 1, 1992, the attorney general and commissioners of finance and revenue shall review and evaluate the state's collection of debts and obligations and report their findings to the legislative commission on planning and fiscal policy. The attorney general and the commissioners shall identify improved methods for coordinating the implementation of systems, procedures, and policies, that are appropriate for the state's fair and efficient collection of debts and obligations, including but not limited to:

(1) establishment of a redesigned collection system to collect debts and obligations including options for organizational changes and improvements; and

(2) adoption and implementation of policies and procedures to govern the timing and circumstances whereby debts and obligations, and information necessary for the collections of such debts and obligations are transferred to the redesigned collection system by the various agencies of the state.

The legislative commission on planning and fiscal policy may authorize the development of a pilot collections project to implement the recommendations of the attorney general and the commissioners. The pilot project may support centralized activities or improved collections in a decentralized model. The pilot project may work with accounts receivable collections in up to three agencies.

A revolving fund is established to support implementation of this pilot including start-up costs. Money initially collected by the system shall be deposited in the fund until start-up costs of the pilot are recovered and thereafter up to 25 percent of the money collected may be deposited in the fund. Prior to accessing any revolving fund mechanism, the pilot project must supply a work plan and budget to the legislative commission on planning and fiscal policy. The budget shall include projects of additional collections realized as a result of the pilot.

The pilot project shall end April 1, 1994, at which time the project shall indicate the measurable collections improvements and increases resulting from the effort. The attorney general and the commissioners may publish a request for proposals that provide that initial staffing and operating costs of the system to be advanced by a contractor to the state. Data transferred to the system shall be subject to section 13.03, subdivision 4.

Sec. 2. Minnesota Statutes 1991 Supplement, section 16A.15, subdivision 6, is amended to read:

Subd. 6. [BUDGET AND CASH FLOW RESERVE ACCOUNT.] A budget and cash flow reserve account is created in the general fund in the state treasury. The commissioner of finance shall, as authorized from time to time by law, restrict part or all of the budgetary balance in the general fund for use as the budget and cash flow reserve account. The commissioner of finance shall transfer from the budget and cash flow reserve account the amount necessary to bring the total amount, including any existing balance in the account on ~~June 30, 1991~~ July 1, 1992, to ~~\$400,000,000~~ \$260,000,000. 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 270.07, subdivision 3, is amended to read:

Subd. 3. Notwithstanding any other provision of law the commissioner of revenue may,

(a) based upon the administrative costs of processing, determine minimum standards for the determination of additional tax for which an order shall be issued, and

(b) based upon collection costs as compared to the amount of tax involved, determine minimum standards of collection, and

(c) based upon the administrative costs of processing, determine the minimum amount of refunds for which an order shall be issued and refund made where no claim therefor has been filed, and

(d) ~~may~~ cancel any amounts below these minimum standards determined under (a) and (b) hereof-, and

(e) based upon the inability of a taxpayer to pay a delinquent tax liability, abate the liability if the taxpayer agrees to perform uncompensated public service work for a state agency, a political subdivision or public corporation of this state, or a nonprofit educational, medical, or social service agency. The department of corrections shall administer the work program. No benefits under chapter 176 or 268 shall be available, but a claim authorized under section 3.739 may be made by the taxpayer. The state may not enter into any agreement that has the purpose of or results in the displacement of public employees by a delinquent taxpayer under this section. The state must certify to the appropriate bargaining agent or employees, as applicable, that the work performed by a delinquent taxpayer will not result in the displacement of currently employed workers or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Sec. 4. Minnesota Statutes 1990, section 270.69, is amended by adding a subdivision to read:

Subd. 14. [REGISTERED LAND.] When a lien is filed with a county recorder under subdivision 2, the county recorder shall search the registered land records in that county and cause the lien to be memorialized on every certificate of title or certificate of possessory title of registered land in that county which can be reasonably identified as owned by the taxpayer who is named on the lien. The fees for memorializing the lien shall be paid in the manner prescribed by subdivision 2, paragraph (c). The county recorders, and their employees and agents, shall not be liable for any loss or damages arising from failure to identify a parcel of registered land owned by the taxpayer who is named on the lien.

Sec. 5. Minnesota Statutes 1990, section 282.016, is amended to read:

282.016 [PROHIBITED PURCHASERS.]

No county auditor, county treasurer, court administrator of the district court, or county assessor or supervisor of assessments, or deputy or clerk or employee of such officer, and no commissioner for tax-forfeited lands or assistant to such commissioner may become a purchaser of the properties offered for sale under the provisions of this chapter, either personally, or as agent or attorney for any other person, except that such officer, deputy, court administrator, employee or commissioner for tax-forfeited lands or

assistant to such commissioner may (1) purchase lands owned by that official at the time the state became the absolute owner thereof or (2) bid upon and purchase forfeited property offered for sale under the alternate sale procedure described in section 282.01, subdivision 7a.

Sec. 6. Minnesota Statutes 1991 Supplement, 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 refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A 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 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~~ January 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 refund is allowed under this subdivision for a contribution to any candidate unless the candidate:

(1) has signed an agreement to limit campaign expenditures as provided in section 10A.322 or 10A.43;

(2) is seeking an office for 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 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, except a candidate for judicial office. "Contribution" means a gift of money.

(d) 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 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 refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 7. Minnesota Statutes 1991 Supplement, 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; *and*

(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 lien for state taxes 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. 8. Minnesota Statutes 1991 Supplement, 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.~~

No existing or future lien for state taxes 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. 9. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 7, is amended to read:

Subd. 7. [PUBLIC DEFENDER SERVICES; RESPONSIBILITY.] Notwithstanding subdivision 4, the state's obligation for the costs of the public defender services is limited to the appropriations made to the board of public defense. ~~Services and expenses beyond those appropriated for shall be the responsibility of the counties within a judicial district. Expenses shall be distributed among the counties in proportion to their populations. Costs that are incurred by the board of public defense beyond that which is appropriated shall be presented to the legislative advisory commission for consideration.~~

Sec. 10. [EFFECTIVE DATE.]

Section 3 is effective from the day following final enactment until December 31, 1994.

Section 4 is effective for liens filed on or after the day following final enactment.

Section 6 is effective for contributions made after the date of final enactment.

Sections 7 and 8 are effective retroactively to December 31, 1991."

Delete the title and insert:

"A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; abolishing the advisory commission on intergovernmental relations; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying aids to local governments; authorizing and modifying provisions relating to property tax classifications and levies; reducing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; modifying provisions relating to political campaign contribution refunds;

changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, school districts, special taxing districts, and watershed districts; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.255, by adding a subdivision; 103B.335; 216C.06, by adding a subdivision; 270.07, subdivision 3; 270.075, subdivision 1; 270.69, by adding a subdivision; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 273.1104, subdivision 1; 273.112, subdivisions 1, 2, 3, and 4; 273.135, subdivision 2; 273.1391, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1 and 2; 275.065, subdivisions 1a and 4; 275.125, subdivision 10; 278.02; 279.37, subdivision 1; 281.23, subdivision 8; 282.016; 282.09, subdivision 1; 282.36; 289A.11, subdivision 3; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.091, subdivision 6; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.07; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 24, 34, 45, and by adding subdivisions; 298.24, subdivision 1; 298.28, by adding a subdivision; 299F.21, subdivision 1; 381.12, subdivision 2; 383.06; 401.02, subdivision 3; 401.05; 469.004, subdivision 1, and by adding a subdivision; 469.034; 469.153, subdivision 2; 469.177, subdivision 1a; 473.446, subdivision 1; 473.711, subdivision 2; 473.714; 473H.10, subdivision 3; 477A.015; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 16A.15, subdivision 6; 16A.711, subdivisions 3, 4, and by adding a subdivision; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 270A.04, subdivision 2; 270A.08, subdivision 2; 272.02, subdivision 1; 273.124, subdivisions 1 and 6; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 6 and 7; 273.1399; 275.065, subdivisions 1, 3, 5a, and 6; 275.125, subdivision 5; 277.01, subdivision 1; 277.17; 278.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 289A.37, subdivision 1; 290.01, subdivision 19; 290.05, subdivision 3; 290.06, subdivision 3; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290A.04, subdivision 2h; 297A.135, subdivision 1, and by adding a subdivision; 297A.14, subdivision 3; 297A.25, subdivision 12, as amended; 297A.44, subdivision 4; 375.192, subdivision 2; 423A.02, subdivision 1a; 477A.012, subdivision 6; 477A.013, subdivisions 1 and 3; 508.25; 508A.25; and 611.27, subdivision 7; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1991, chapter 291, articles 1, section 65; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 8; 13; 16A; 273; 289A; 290; 297A; 298; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 275.065, subdivision 1b; 278.01, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 298.24, subdivision 4; Minnesota Statutes 1991 Supplement, sections 3.862; 47.209; 273.124, subdivision 15; and 295.367; and Laws 1991, chapter 291, article 2, section 3."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Judiciary, to which was referred

S.F. No. 897: A bill for an act relating to traffic regulations; providing misdemeanor penalties for persons who refuse to submit to a chemical test

to determine if the person is under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, sections 169.121, subdivisions 1a, 3, and 3b; and 169.123, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

DRIVING WHILE INTOXICATED PROVISIONS

Section 1. Minnesota Statutes 1990, section 168.042, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) “Violator” means a person who was driving, operating, or in physical control of the motor vehicle when the violation occurred.

(c) “Violation” means:

(1) a violation of section 169.123 or an impaired driving conviction as defined in section 169.121, subdivision 3, that results in the revocation of a person's driver's license or driving privileges, and also includes an alcohol-related license revocation from another state:

(2) a violation of section 169.129; and

(3) a violation of section 171.24 by a person whose driver's license or driving privileges have been canceled under section 171.04, clause (8).

Sec. 2. Minnesota Statutes 1990, section 168.042, subdivision 2, is amended to read:

Subd. 2. [VIOLATION; ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when:

(1) a person's driver's license or driving privileges are revoked for a third violation, as defined in subdivision 1, paragraph (c), clause (1), within five years or a fourth or subsequent violation, as defined in subdivision 1, paragraph (c), clause (1), within ~~ten~~ 15 years; or

(2) a person is arrested for or charged with a violation described in subdivision 1, paragraph (c), clause (2) or (3).

The order shall require the impoundment of the registration plates of the vehicle involved in the violation and all vehicles owned by, registered, or leased in the name of the violator, including vehicles registered jointly or leased in the name of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

Sec. 3. Minnesota Statutes 1990, section 168.042, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICER AS AGENT FOR NOTICE OF IMPOUNDMENT.] ~~(a)~~ On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation under section 169.123 shall also serve a notice of intent to impound and an order of impoundment if the violation is the third violation, as defined in subdivision 1, paragraph (c), clause (1), within five years or the fourth or subsequent violation, as defined in

subdivision 1, paragraph (c), clause (1), within ten 15 years. On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a violation described in subdivision 1, paragraph (c), clause (2) or (3), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed.

Sec. 4. Minnesota Statutes 1990, section 168.042, subdivision 10, is amended to read:

Subd. 10. [PETITION FOR JUDICIAL REVIEW.] (a) Within 30 days following receipt of a notice and order of impoundment under this section, a person may petition the court for review. The petition must include the petitioner's date of birth, driver's license number, and date of the violation. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order for impoundment. The petition may be combined with any petition filed under section 169.123, subdivision 5c.

(b) Except as otherwise provided in this section, the judicial review and hearing are governed by section 169.123, subdivisions 5c and 6, and shall take place at the same time as any judicial review of the person's license revocation under section 169.123. The filing of the petition shall not stay the impoundment order. The reviewing court may order a stay of the balance of the impoundment period if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. The court shall order either that the impoundment be rescinded or sustained, and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing.

(c) In addition to the issues described in section 169.123, subdivision 5c, the scope of a hearing under this subdivision is limited to:

(1) whether the violator owns, is the registered owner of, possesses, or has access to the vehicle used in the violation; ~~and~~

(2) whether a member of the violator's household has a valid driver's license, the violator or registered owner has a limited license issued under section 171.30, the registered owner is not the violator and the registered owner has a valid or limited driver's license, or a member of the registered owner's household has a valid driver's license; *and*

(3) *if the impoundment is based on a violation described in subdivision 1, paragraph (c), clause (2) or (3), whether the peace officer had probable cause to believe the violator committed the violation and whether the evidence demonstrates that the violation occurred.*

(d) In a hearing under this subdivision, the following shall be admissible in evidence:

(1) certified copies of the violator's driving record; and

(2) certified copies of vehicle registration records bearing the violator's name.

Sec. 5. Minnesota Statutes 1990, section 168.042, subdivision 11, is

amended to read:

Subd. 11. [RESCISSION OF REVOCATION ~~AND; DISMISSAL OF CHARGES OR ACQUITTAL~~; ISSUANCE OF NEW PLATES.] 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 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. *If the impoundment order was based on a violation described in subdivision 1, paragraph (c), clause (2) or (3), and the charges have been dismissed with prejudice or the violator has been acquitted of the violation, the registrar of motor vehicles shall issue new registration plates for the vehicle at no cost, when the registrar receives an application that includes a copy of the order dismissing the charges or a copy of the judgment of acquittal.*

Sec. 6. Minnesota Statutes 1990, section 169.121, subdivision 1a, is amended to read:

Subd. 1a. [REFUSAL TO SUBMIT TO TESTING; CRIME.] It is a crime for any person to refuse to submit to a chemical test of the person's blood, breath, or urine under section 169.123 ~~if the person's driver's license has been suspended, revoked, canceled, or denied once within the past five years; or two or more times within the past ten years; under any of the following: this section or section 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3).~~

Sec. 7. Minnesota Statutes 1990, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) *As used in this subdivision:*

(1) *"prior impaired driving conviction" means a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 86B.331, subdivision 1, paragraph (a); 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult; and*

(2) *"prior license revocation" means a driver's license suspension, revocation, or cancellation under this section; sections 169.123; 171.04; 171.14; 171.16; 171.17; or 171.18 because of an alcohol-related incident; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).*

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with ~~it~~ *either of them*, is guilty of a misdemeanor.

~~(b)~~ (c) A person is guilty of a gross misdemeanor ~~who~~ *under any of the following circumstances:*

(1) *the person violates subdivision 1 or an ordinance in conformity with ~~it~~ within five years of a prior impaired driving conviction, or within ten*

years of the first of two or more prior impaired driving convictions-

~~For purposes of this paragraph, a prior impaired driving conviction is a prior conviction under this section, section 84.91, subdivision 1, paragraph (a); 169.129, 360.0752, 361.12, subdivision 1, paragraph (a); 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); 609.21, subdivision 4, clause (2) or (3); or an ordinance from this state; or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult.~~

~~(e) A person who violates subdivision 1a is guilty of a gross misdemeanor.:~~

~~(2) the person violates subdivision 1a within five years of a prior license revocation, or within ten years of the first of two or more prior license revocations; or~~

~~(3) the person violates section 169.26 while in violation of subdivision 1.~~

(d) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

~~(e) A person is guilty of a gross misdemeanor if the person violates section 169.26 while in violation of subdivision 1.~~

Sec. 8. Minnesota Statutes 1990, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) If a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of ~~violating a gross misdemeanor violation of this section, a violation of section 169.129, or an ordinance in conformity with # either of them~~ (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph (b) or (c).

(b) Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum term of imprisonment established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without

regard to the mandatory minimum term of imprisonment established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record.

Sec. 9. Minnesota Statutes 1990, section 169.121, subdivision 3b, is amended to read:

Subd. 3b. [HABITUAL OFFENDERS; CHEMICAL USE ASSESSMENT.] If a person has been convicted under subdivision 1, *subdivision 1a*, section 169.129, an ordinance in conformity with ~~either~~ any of them, or a statute or ordinance from another state in conformity with ~~either~~ any of them, and if the person is then convicted of violating subdivision 1, *subdivision 1a*, section 169.129, or an ordinance in conformity with ~~either~~ any of them (1) once within five years of the first conviction or (2) two or more times within ten years after the first conviction, the court must order the person to submit to the level of care recommended in the chemical use assessment required under section 169.126.

~~If a person is convicted under section 169.121, subdivision 1a, the court shall order the person to submit to the level of care recommended in the chemical use assessment report required under section 169.126.~~

Sec. 10. Minnesota Statutes 1990, section 169.121, subdivision 3c, is amended to read:

Subd. 3c. [NOTICE OF ENHANCED PENALTIES.] When a court sentences a person for a misdemeanor *or gross misdemeanor* violation of this section, it shall inform the defendant of the statutory provisions that provide for enhancement of criminal penalties for repeat violators. The failure of a court to provide this information to a defendant does not affect the future applicability of these enhanced penalties to that defendant.

Sec. 11. Minnesota Statutes 1990, section 169.121, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) The commissioner of public safety shall revoke the driver's license of a person convicted of violating this section or an ordinance in conformity with it as follows:

~~(a)~~ (1) First offense *under subdivision 1*: not less than 30 days;

(2) First offense *under subdivision 1a*: not less than 90 days;

~~(b)~~ (3) Second offense in less than five years: (i) if the current conviction is for a violation of *subdivision 1*, not less than 90 180 days and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126; or (ii) if the current conviction is for a violation of *subdivision 1a*, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126;

~~(c)~~ (4) Third offense in less than five years: not less than one year, together with denial under section 171.04, clause (8), until rehabilitation is established in accordance with standards established by the commissioner;

~~(d)~~ (5) Fourth or subsequent offense on the record; not less than two years, together with denial under section 171.04, clause (8), until rehabilitation is established in accordance with standards established by the commissioner.

(b) If the person convicted of violating this section is under the age of 18 years, the commissioner of public safety shall revoke the offender's driver's license or operating privileges until the offender reaches the age of 18 years or for a period of six months or for the appropriate period of time under *paragraph (a)*, clauses ~~(a)~~ (1) to ~~(d)~~ (5), for the offense committed, whichever is the greatest period.

(c) For purposes of this subdivision, a juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them is an offense.

(d) Whenever department records show that the violation involved personal injury or death to any person, not less than 90 additional days shall be added to the base periods provided above.

(e) Any person whose license has been revoked pursuant to section 169.123 as the result of the same incident is ~~not~~ subject to the mandatory revocation provisions of ~~clause (a) or (b)~~ *paragraph (a), clause (1) or (2)*, in lieu of the mandatory revocation provisions of section 169.123.

Sec. 12. Minnesota Statutes 1990, section 169.121, subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in subdivision 3b, when a court sentences a person convicted of ~~violating a misdemeanor or gross misdemeanor violation~~ of this section, section 169.129, or an ordinance in conformity with either of them, the court may stay imposition or execution of any sentence authorized by subdivision 3 or 4, except the revocation of the driver's license, on the condition that the convicted person submit to the level of care recommended in the chemical use assessment report required under section 169.126. If the court does not order a level of care in accordance with the assessment report recommendation as a condition of a stay of imposition or execution, it shall state on the record its reasons for not following the assessment report recommendation. A stay of imposition or execution shall be in the manner provided in section 609.135. The court shall report to the commissioner of public safety any stay of imposition or execution of sentence granted under the provisions of this section.

Sec. 13. Minnesota Statutes 1991 Supplement, section 169.121, subdivision 5a, is amended to read:

Subd. 5a. [CHEMICAL DEPENDENCY ASSESSMENT CHARGE, SURCHARGE.] When a court sentences a person convicted of an offense enumerated in section 169.126, subdivision 1, it shall impose a chemical dependency assessment charge of ~~\$76~~ \$150. A person shall pay an additional surcharge of \$5 if the person is convicted of (i) a violation of section 169.129, or (ii) a violation of this section within five years of a prior impaired driving conviction, as defined in subdivision 3, or a prior conviction for an offense arising out of an arrest for a violation of section 169.121 or 169.129. This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge and surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment charge and

surcharge would create undue hardship for the convicted person or that person's immediate family.

The ~~court~~ county shall collect and forward to the commissioner of finance ~~the total amount of \$50 of the chemical dependency assessment charge and surcharge~~ within 60 days after sentencing or explain to the commissioner in writing why the money was not forwarded within this time period. The commissioner shall credit the money to the general fund. *The county shall collect and keep \$100 of the chemical dependency assessment charge, and the \$5 surcharge, if imposed, and use it to pay for the chemical dependency assessment and report.*

The chemical dependency assessment charge and surcharge required under this section are in addition to the surcharge required by section 609.101.

Sec. 14. [169.1216] [IMPOUNDMENT OF MOTOR VEHICLES UNDER LOCAL ORDINANCE; PREREQUISITES TO REDEMPTION.]

Subdivision 1. [DEFINITION.] As used in this section, "impoundment" means the removal of a motor vehicle, as defined in section 169.121, subdivision 11, to a storage facility or impound lot as authorized by a local ordinance.

Subd. 2. [REDEMPTION; PREREQUISITES.] If a motor vehicle is impounded by a peace officer following the arrest or taking into custody of a driver for a violation of section 169.121, an ordinance in conformity with it, or section 169.129, the impounded vehicle shall only be released from impoundment:

(1) to the registered owner, a person authorized by the registered owner, a lienholder of record, or a person who has purchased the vehicle from the registered owner, who provides both proof of ownership of the vehicle and proof of insurance required by law to cover the vehicle; or

(2) if the vehicle is subject to a rental or lease agreement, to a renter or lessee who provides a copy of the rental or lease agreement and proof of insurance required by law to cover the vehicle.

Subd. 3. [TO WHOM INFORMATION PROVIDED.] The proof of ownership and insurance or, where applicable, the copy of the rental or lease agreement required by subdivision 2 shall be provided to the law enforcement agency impounding the vehicle or to a person or entity designated by the law enforcement agency to receive the information.

Subd. 4. [LIABILITY FOR STORAGE COSTS.] No law enforcement agency, local unit of government, or state agency is responsible or financially liable for any storage fees incurred due to an impoundment under this section.

Sec. 15. [169.1217] [FORFEITURE OF MOTOR VEHICLES USED TO COMMIT CERTAIN TRAFFIC OFFENSES.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

(a) "Appropriate authority" means a law enforcement agency that has the authority to make an arrest for a violation of a designated offense.

(b) "Designated offense" includes a violation of section 169.121, an ordinance in conformity with it, or section 169.129:

(1) within five years of three prior impaired driving convictions or three

prior license revocations based on separate incidents:

(2) *within 15 years of the first of four or more prior impaired driving convictions or the first of four or more prior license revocations based on separate incidents:*

(3) *by a person whose driver's license or driving privileges have been canceled under section 171.04, clause (8); or*

(4) *by a person who is subject to a restriction on the person's driver's license under section 171.09 which provides that the person may not use or consume any amount of alcohol or a controlled substance.*

(c) *"Motor vehicle" and "vehicle" have the meaning given "motor vehicle" in section 169.121, subdivision 11. The terms do not include a vehicle which is stolen or taken in violation of the law.*

(d) *"Owner" means the registered owner of the motor vehicle according to records of the department of public safety and includes a lessee of a motor vehicle if the lease agreement has a term of 180 days or more.*

(e) *"Prior impaired driving conviction" has the meaning given it in section 169.121, subdivision 3.*

(f) *"Prior license revocation" has the meaning given it in section 169.121, subdivision 3.*

(g) *"Prosecuting authority" means the attorney in the jurisdiction in which the designated offense occurred who is responsible for prosecuting violations of a designated offense.*

Subd. 2. [SEIZURE.] A motor vehicle subject to forfeiture under this section may be seized by the appropriate agency upon process issued by any court having jurisdiction over the vehicle. Property may be seized without process if:

(1) the seizure is incident to a lawful arrest or a lawful search;

(2) the vehicle subject to seizure has been the subject of a prior judgment in favor of the state in a criminal injunction or forfeiture proceeding under this section; or

(3) the appropriate agency has probable cause to believe that the delay occasioned by the necessity to obtain process would result in the removal or destruction of the vehicle. If property is seized without process under clause (3), the prosecuting authority must institute a forfeiture action under this section as soon as is reasonably possible.

Subd. 3. [RIGHT TO POSSESSION VESTS IMMEDIATELY; CUSTODY OF SEIZED VEHICLE.] All right, title, and interest in a vehicle subject to forfeiture under this section vests in the appropriate agency upon commission of the designated offense giving rise to the forfeiture. Any vehicle seized under this section is not subject to replevin, but is deemed to be in the custody of the appropriate agency subject to the orders and decrees of the court having jurisdiction over the forfeiture proceedings. When a vehicle is so seized, the appropriate agency may:

(1) place the vehicle under seal;

(2) remove the vehicle to a place designated by it;

(3) place a disabling device on the vehicle; and

(4) take other steps reasonable and necessary to secure the vehicle and prevent waste.

Subd. 4. [BOND BY OWNER FOR POSSESSION.] If the owner of a vehicle that has been seized under this section seeks possession of the vehicle before the forfeiture action is determined, the owner may, subject to the approval of the appropriate agency, give security or post bond payable to the appropriate agency in an amount equal to the retail value of the seized vehicle. On posting the security or bond, the seized vehicle may be returned to the owner only if a disabling device is attached to the vehicle. The forfeiture action shall proceed against the security as if it were the seized vehicle.

Subd. 5. [EVIDENCE.] Certified copies of motor vehicle records concerning prior license revocations are admissible as substantive evidence where necessary to prove the commission of a designated offense.

Subd. 6. [MOTOR VEHICLES SUBJECT TO FORFEITURE.] A motor vehicle is subject to forfeiture under this section if it was used in the commission of a designated offense.

Subd. 7. [LIMITATIONS ON FORFEITURE OF MOTOR VEHICLES.] (a) A vehicle is subject to forfeiture under this section only if the driver is convicted of the designated offense upon which the forfeiture is based.

(b) A vehicle encumbered by a bona fide security interest, or subject to a lease that has a term of 180 days or more, is subject to the interest of the secured party or lessor unless the party or lessor had knowledge of or consented to the act upon which the forfeiture is based.

(c) Notwithstanding paragraph (b), the secured party's or lessor's interest in a vehicle is not subject to forfeiture based solely on the secured party's or lessor's knowledge of the act or omission upon which the forfeiture is based if the secured party or lessor took reasonable steps to terminate use of the vehicle by the offender.

(d) A motor vehicle is subject to forfeiture under this section only if its owner knew or should have known of the unlawful use or intended use.

Subd. 8. [FORFEITURE PROCEDURE.] (a) A motor vehicle used to commit a designated offense is subject to forfeiture under this subdivision.

(b) A separate complaint shall be filed against the vehicle, describing it, and specifying that it was used in the commission of a designated offense and specifying the time and place of its unlawful use. If the person charged with a designated offense is not convicted of the offense, the court shall dismiss the complaint against the vehicle and order the property returned to the person legally entitled to it. If the lawful ownership of the vehicle used in the commission of a designated offense can be determined and it is found the owner was not privy to commission of a designated offense, the vehicle shall be returned immediately.

Subd. 9. [DISPOSITION OF FORFEITED VEHICLES.] (a) If the court finds under subdivision 8 that the vehicle is subject to forfeiture, it shall order the appropriate agency to:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens

against the property, must be forwarded to the treasury of the political subdivision that employs the appropriate agency responsible for the forfeiture. If the appropriate agency is an agency of state government, the net proceeds must be forwarded to the state treasury and credited to the general fund.

Sec. 16. Minnesota Statutes 1991 Supplement, section 169.123, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION OF TEST.]

(a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or upon the ice of any boundary water of this state consents, subject to the provisions of this section and section 169.121, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169.121 and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169.121, or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169.121, subdivision 6; or

(4) the screening test was administered and ~~recorded~~ *indicated* an alcohol concentration of 0.10 or more.

The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine if the person is under the influence of alcohol or a controlled substance or, if the motor vehicle was a commercial motor vehicle, that Minnesota law requires the person to take a test to determine the presence of alcohol;

(2) that if testing is refused, the person's right to drive will be revoked for a minimum period of one year or, if the person is under the age of 18 years, for a period of one year or until the person reaches the age of 18 years, whichever is greater and, if the vehicle was a commercial motor vehicle, that the person will be disqualified from operating a commercial motor vehicle for a minimum period of one year;

(3) that if a test is taken and the results indicate an alcohol concentration of 0.10 or more, the person's right to drive will be revoked for a minimum period of 90 days or, if the person is under the age of 18 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater, and, if the vehicle was a commercial motor vehicle, that if the test results indicate the presence of any alcohol, the person will be prohibited from operating a commercial motor vehicle for 24 hours from issuance of an out-of-service order, and if the results indicate an alcohol concentration of 0.04 or more, the person will be disqualified from operating a commercial motor vehicle for a minimum period of one year;

~~(4) that whether refusal to take a test is taken or refused, the person may be subject to criminal prosecution for an alcohol or controlled substance related driving offense;~~

~~(5) that if testing is refused and the person's right to drive has been revoked once within the past five years or two or more times within the past ten years for an alcohol or controlled substance related driving offense, the person may be subject to criminal prosecution because the person refused testing a crime;~~

~~(6) (3) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and~~

~~(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by someone of the person's own choosing; and~~

~~(7) that if the person refuses to take a test, the refusal may be offered into evidence against the person at trial, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.~~

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Sec. 17. Minnesota Statutes 1990, section 169.123, subdivision 4, is amended to read:

Subd. 4. [REFUSAL; REVOCATION OF LICENSE.] If a person refuses to permit a test, none shall be given, but the peace officer shall report the refusal to the commissioner of public safety and the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred. *However, if a peace officer has probable cause to believe that the person has violated section 609.21, a test may be required and obtained despite the person's refusal.* A refusal to submit to an alcohol concentration test does not constitute a violation of section 609.50, unless the refusal was accompanied by force or violence or the threat of force or violence. If a person submits to a test and the test results indicate an alcohol concentration of 0.10 or more, or if a person was driving, operating, or in physical control of a commercial motor vehicle and the test results indicate an alcohol concentration of 0.04 or more, the results of the test shall be reported to the commissioner of public safety and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the acts occurred.

Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person refused to submit to a test, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year *even if a test was obtained pursuant to this section after the person refused to submit to testing.* Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle for a period of one year under

section 171.165 and shall revoke the person's license or permit to drive or nonresident operating privilege for a period of one year. If the person refusing to submit to testing is under the age of 18 years, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, for a period of one year or until the person reaches the age of 18 years, whichever is greater. Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating or in physical control of a motor vehicle while under the influence of alcohol or a controlled substance and that the person submitted to a test and the test results indicate an alcohol concentration of 0.10 or more, the commissioner of public safety shall revoke the person's license or permit to drive, or nonresident operating privilege, for: (1) a period of 90 days; or (2) if the person is under the age of 18 years, for a period of six months or until the person reaches the age of 18 years, whichever is greater; or (3) if the person's driver's license or driving privileges have been revoked within the past five years under this section or section 169.121, for a period of 180 days. On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner of public safety shall disqualify the person from operating a commercial motor vehicle under section 171.165.

If the person is a resident without a license or permit to operate a motor vehicle in this state, the commissioner of public safety shall deny to the person the issuance of a license or permit for the same period after the date of the alleged violation as provided herein for revocation, subject to review as hereinafter provided.

Sec. 18. Minnesota Statutes 1990, section 169.126, subdivision 1, is amended to read:

Subdivision 1. [CHEMICAL USE ASSESSMENT.] A chemical use assessment shall be conducted and an assessment report submitted to the court and to the department of public safety by the county agency administering the alcohol safety program when:

(a) The defendant is convicted of an offense described in section 169.121 or 169.129; or

(b) The defendant is arrested for committing an offense described in section 169.121 or 169.129 but is convicted of another offense arising out of the circumstances surrounding the arrest.

Sec. 19. Minnesota Statutes 1991 Supplement, section 169.126, subdivision 2, is amended to read:

Subd. 2. [REPORT.] (a) The assessment report shall be on a form prescribed by the commissioner of public safety and shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic record, characteristics and history of alcohol and chemical use problems, and amenability to rehabilitation through the alcohol safety program. The report shall be classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) The assessment report must include:

(1) a recommended level of care for the offender in accordance with the

criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3:

(2) recommendations for other appropriate remedial action or care, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; or

(3) a specific explanation why no level of care or action was recommended.

Sec. 20. Minnesota Statutes 1991 Supplement, section 169.1265, subdivision 3, is amended to read:

Subd. 3. [PROGRAM ELEMENTS.] To be considered for a grant under this section, a county program must contain the following elements:

(1) an initial assessment of the offender's chemical dependency, with recommended treatment and aftercare;

(2) several stages of probation supervision, including:

(i) a period of ~~at least 30 days~~² incarceration in a local or regional detention facility;

(ii) a period during which an offender is, at all times, either working, on home detention, being supervised at a program facility, or traveling between two of these locations;

(iii) a period of home detention; and

(iv) a period of gradually decreasing involvement with the program;

(3) decreasing levels of intensity and contact with probation officials based on the offender's successful participation in the program and compliance with its rules;

(4) a provision for increasing the severity of the program's requirements when an offender offends again or violates the program's rules;

(5) a provision for offenders to continue or seek employment during their period of intensive probation;

(6) a requirement that offenders abstain from alcohol and controlled substances during the probation period; and

(7) a requirement that all or a substantial part of the costs of the program be paid by the offenders.

Sec. 21. Minnesota Statutes 1990, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, ~~clause clauses (2) or (3) to (4)~~; 609.21, subdivision 2, ~~clause clauses (2) or (3) to (4)~~; 609.21, subdivision 2a, ~~clauses (2) to (4)~~; 609.21, subdivision 3, ~~clause clauses (2) or (3) to (4)~~; or 609.21, subdivision 4, ~~clause clauses (2) or (3) to (4)~~. ~~Jurisdiction over prosecutions under this~~

section is in the county court.

Sec. 22. Minnesota Statutes 1991 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a ~~\$250~~ \$300 fee before the person's drivers license is reinstated to be credited as follows:

- (1) ~~20~~ 17 percent shall be credited to the trunk highway fund;
- (2) ~~55~~ 62 percent shall be credited to the general fund;

(3) ~~eight~~ seven percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: ~~eight~~ six percent for laboratory costs; ~~two~~ one percent for carrying out the provisions of section 299C.065;

(4) ~~12~~ ten percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for grants to develop alcohol-impaired driver education and chemical abuse prevention programs in elementary and secondary schools. The state board of education shall establish guidelines for the distribution of the grants. At least \$70,000 must be awarded in grants to local school districts; and

(5) ~~five~~ four percent shall be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. \$100,000 is annually appropriated from the account to the commissioner of human services for traumatic brain injury case management services. The remaining money in the account is annually appropriated to the commissioner of health to establish and maintain the traumatic brain injury and spinal cord injury registry created in section 144.662 and to reimburse the commissioner of jobs and training for the reasonable cost of services provided under section 268A.03, clause (o).

Sec. 23. Minnesota Statutes 1991 Supplement, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. [~~180-DAY WAITING PERIOD PERIODS.~~] Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a violation of section 169.121 or 169.123;

(2) 90 days, to a person who submitted to testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 or 169.123;

(3) 180 days ~~to an individual whose~~, to a person who refused testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 or 169.123; or to a person whose license or privilege has been revoked or suspended for commission of the offense of manslaughter resulting from the operation of a motor vehicle or criminal vehicular homicide or injury

under section 609.21.

Sec. 24. Minnesota Statutes 1991 Supplement, section 171.305, subdivision 2, is amended to read:

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 report to the legislature by February 1, ~~1993~~ 1994, on 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~~ 1993.

Sec. 25. [DEPARTMENT OF PUBLIC SAFETY; NOTICE CONCERNING CERTAIN PERSONS UNDER DRIVER'S LICENSE CANCELLATION.]

The commissioner of public safety shall develop a program under which the commissioner provides a monthly notice to local law enforcement agencies of the names and addresses of persons residing within the local agency's jurisdiction whose driver's licenses or driving privileges have been canceled under Minnesota Statutes, section 171.04, clause (8). At the commissioner's discretion, the commissioner may adopt necessary procedures so that the information is current and accurate. Data in the notice are private data on individuals and are available to law enforcement agencies.

Sec. 26. [COMMISSION ON CONFINEMENT AND TREATMENT OF DWI RECIDIVISTS.]

Subdivision 1. [MEMBERSHIP.] The subcommittee on committees in the senate and the speaker of the house of representatives shall appoint up to 18 members to a commission on the confinement and treatment of DWI recidivists. The members shall be chosen to represent the following: legislators, the commissioners of human services, public safety, and corrections, experts in chemical dependency treatment, researchers in matters relating to the driving while intoxicated laws, county commissioners, local corrections officials, the sentencing guidelines commission, city and county attorneys, defense attorneys, private chemical dependency treatment providers, and other interested parties.

Subd. 2. [SPECIFIC PROPOSAL.] By January 15, 1993, the commission shall present to the chairs of the committees on the judiciary and health and human services in the senate and house of representatives a specific proposal to provide for the effective treatment, or if treatment is unsuccessful, for confinement for a period of up to five years, to protect society from those who have violated the DWI laws a fourth time within five years or a fifth or subsequent time. The recommendation shall include a means of committing these individuals to treatment, including the potential for confinement as a sanction for leaving or failing treatment, using alcohol or drugs, or reoffending.

Subd. 3. [SPECIFIC DETERMINATIONS.] In developing the recommendation required by subdivision 2, the commission shall make specific determinations concerning the following:

(1) whether the offenders should be confined through a civil commitment process, through the criminal justice system, or through a system that

combines features of the civil and criminal systems:

(2) what types of treatment programs hold the most promise for changing the behavior of those with entrenched chemical dependency problems;

(3) what types of correctional programs, including intensive supervision, hold the most promise for changing the behavior of those with entrenched chemical dependency problems;

(4) the best way to allocate the costs of treatment and confinement among the offender, local governments, and the state;

(5) if a criminal justice system approach is selected, whether imposing a felony penalty or a gross misdemeanor penalty on offenders with the DWI history described above would be more effective in giving a high priority to the repeat DWI cases within prosecutors' offices, and whether probation officers who supervise gross misdemeanants would be better suited to supervise repeat DWI offenders than would probation officers who supervise felons;

(6) if a civil commitment approach is selected, whether changes are needed in the civil commitment laws and recommendations for making those changes;

(7) what secure treatment facilities are available, including private, state, and locally owned facilities;

(8) the feasibility of using innovative treatment approaches, such as the use of pharmacologic agents, including deterrent chemicals, in the control of those who are unsuccessful in treatment programs;

(9) the need for culturally appropriate chemical dependency treatment programs; and

(10) the characteristics and treatment and incarceration history of the typical fourth-time DWI offender.

Sec. 27. [APPROPRIATION.]

\$. is appropriated from the general fund to the commissioner of public safety for the fiscal year ending June 30, 1993, for the purpose of funding grant applications under section 169.1265.

Sec. 28. [REPEALER.]

Minnesota Statutes 1990, section 169.126, subdivision 4c, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 27 are effective January 1, 1993, and apply to crimes committed on or after that date, except that section 16, paragraph (b), clause (4), is effective the day following final enactment. Courts may consider prior convictions and license revocations in sentencing repeat offenders and forfeiting vehicles under this article.

ARTICLE 2

OPERATING A SNOWMOBILE OR ALL-TERRAIN VEHICLE WHILE INTOXICATED

Section 1. Minnesota Statutes 1990, section 84.91, is amended to read:

84.91 [OPERATION OF SNOWMOBILES AND ALL-TERRAIN VEHICLES BY PERSONS UNDER THE INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCES.]

Subdivision 1. [ACTS PROHIBITED.] (a) No person shall operate or be in physical control of any snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state ~~while under the influence of:~~

(1) ~~when the person is under the influence of alcohol; as provided in section 469.121, subdivision 1, clauses (a) and (d);~~

(2) ~~when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4; or~~

(3) ~~when the person is under the influence of a combination of any two or more of the elements named in clauses (1) and (2), and (6);~~

(4) ~~when the person's alcohol concentration is 0.10 or more;~~

(5) ~~when the person's alcohol concentration as measured within two hours of the time of operating is 0.10 or more; or~~

(6) ~~when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate the snowmobile or all-terrain vehicle.~~

(b) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall authorize or permit any individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance *or other substance*, as provided under paragraph (a), to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

(c) No owner or other person having charge or control of any snowmobile or all-terrain vehicle shall knowingly authorize or permit any person, who by reason of any physical or mental disability is incapable of operating the vehicle, to operate the snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state.

Subd. 2. [ARREST.] Conservation officers of the department of natural resources, sheriffs, sheriff's deputies, and other peace officers may arrest a person for a violation under subdivision 1 without a warrant upon probable cause; ~~if, without regard to whether the violation was committed in the officer's presence. If the violation did not occur in the officer's presence, the officer may arrest the person if the person was involved in a snowmobile or all-terrain vehicle accident resulting in death, personal injury, or property damage.~~

Subd. 3. [PRELIMINARY SCREENING TEST.] When an officer authorized under subdivision 2 to make arrests has reason to believe from the manner in which a person is operating, controlling, or acting upon departure from a snowmobile or all-terrain vehicle, or has operated or been in control of the vehicle, that the operator may be violating or has violated subdivision 1, paragraph (a), the officer may require the operator to provide a breath sample for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of the preliminary screening test shall be used for the purpose of deciding whether an arrest

should be made under this section and whether to require the chemical tests authorized in section 84.911, but may not be used in any court action except: (1) to prove that a test was properly required of an operator under section 84.911; or (2) in a civil action arising out of the operation or use of a snowmobile or all-terrain vehicle. Following the preliminary screening test, additional tests may be required of the operator as provided under section 84.911. An operator who refuses a breath sample is subject to the provisions of section 84.911 unless, in compliance with that section, the operator submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Subd. 4. [EVIDENCE.] In a prosecution for a violation of subdivision 1, paragraph (a), or an ordinance in conformity with it, the admission of evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine, is governed by section 86B.331, subdivision 4.

Subd. 5. [PENALTIES.] (a) A person who violates any prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor.

(b) A person who violates any prohibition contained in subdivision 1 within five years of a prior impaired operating conviction ~~under that subdivision~~ or civil liability under section 84.911, subdivision 2, or an ordinance in conformity with it, or within ten years of the first of two or more prior impaired operating convictions ~~under that subdivision~~ or civil liability under section 84.911, subdivision 2, or an ordinance in conformity with it, is guilty of a gross misdemeanor.

For purposes of this section, a prior impaired operating conviction is a prior conviction under this section; section 86B.331, subdivision 1, paragraph (a); 169.121; 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired operating conviction includes a prior juvenile adjudication that would have been a prior impaired operating conviction if committed by an adult.

(c) The attorney in the jurisdiction where the violation occurred who is responsible for prosecuting misdemeanor violations of this section is also responsible for prosecuting gross misdemeanor violations of this section. When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired operating convictions from a court, the court must furnish the information without charge.

(b) (d) A person who operates a snowmobile or all-terrain vehicle during the period the person is prohibited from operating the vehicle under subdivision 6 is guilty of a misdemeanor.

Subd. 5a. [NOTICE OF ENHANCED PENALTIES.] When a court sentences a person for a misdemeanor violation of this section, it shall inform the defendant of the statutory provisions that provide for enhancement of criminal penalties for repeat violators. The failure of a court to provide this information to a defendant does not affect the future applicability of these enhanced penalties to that defendant.

Subd. 6. [OPERATING PRIVILEGES SUSPENDED.] Upon conviction

under this section, or an ordinance in conformity with it, and in addition to any penalty imposed under subdivision 5, the person is prohibited for one year from operating a snowmobile or all-terrain vehicle, whichever was involved in the violation.

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward to the commissioner copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 84.911, subdivision 2. The commissioner shall notify the convicted person of the period during which the person is prohibited from operating a snowmobile or all-terrain vehicle under subdivision 6 or section 84.911, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating a snowmobile or all-terrain vehicle under subdivision 6 or section 84.911, subdivision 2.

Subd. 8. [IMMUNITY FROM LIABILITY.] The state or political subdivision that employs an officer who is authorized under subdivision 2 to make an arrest for violations of subdivision 1 is immune from any liability, civil or criminal, for the care or custody of the snowmobile or all-terrain vehicle being operated by or in the physical control of the person arrested if the officer acts in good faith and exercises due care.

Sec. 2. Minnesota Statutes 1990, section 84.911, is amended to read:
84.911 [CHEMICAL TESTING.]

Subdivision 1. [MANDATORY CHEMICAL TESTING.] A person who operates or is in physical control of a snowmobile or all-terrain vehicle anywhere in this state or on the ice of any boundary water of this state is required, subject to the provisions of this section, to take or submit to a test of the person's blood, breath, or urine for the purpose of determining the presence and amount of alcohol or a controlled substance. The test shall be administered at the direction of an officer authorized to make arrests under section 84.91, subdivision 2. Taking or submitting to the test is mandatory when requested by an officer who has probable cause to believe the person was operating or in physical control of a snowmobile or all-terrain vehicle in violation of section 84.91, subdivision 1, paragraph (a), and one of the following conditions exists:

(1) the person has been lawfully placed under arrest for violating section 84.91, subdivision 1, paragraph (a);

(2) the person has been involved while operating a snowmobile or all-terrain vehicle in an accident resulting in property damage, personal injury, or death;

(3) the person has refused to take the preliminary screening test provided for in section 84.91, subdivision 3; or

(4) the screening test was administered and ~~recorded~~ *indicated* an alcohol concentration of 0.10 or more.

Subd. 2. [PENALTIES; REFUSAL; REVOCATION OF SNOWMOBILE OR ALL-TERRAIN VEHICLE OPERATING PRIVILEGE.] (a) If a person refuses to take a test required under subdivision 1, none must be given, but the officer authorized to make arrests under section 84.91, subdivision 2, shall report the refusal to the commissioner of natural resources and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the incident occurred that gave rise to the test demand and refusal. *However, if a peace officer has probable cause to*

believe that the person has violated section 609.21, a test may be required and obtained despite the person's refusal.

On certification by the officer that probable cause existed to believe the person had been operating or in physical control of a snowmobile or all-terrain vehicle while under the influence of alcohol or a controlled substance, and that the person refused to submit to testing, the commissioner shall impose a civil penalty of \$500 and shall prohibit the person from operating a snowmobile or all-terrain vehicle, whichever was involved in the violation, for a period of one year *even if a test was obtained pursuant to this section after the person refused to submit to testing.*

On behalf of the commissioner, an officer requiring a test or directing the administration of a test shall serve on a person who refused to permit a test immediate notice of intention to prohibit the operation of a snowmobile or all-terrain vehicle, and to impose the civil penalty set forth in this subdivision. If the officer fails to serve a notice of intent to suspend operating privileges, the commissioner may notify the person by mail, and the notice is deemed received three days after mailing. The notice must advise the person of the right to obtain administrative and judicial review as provided in this section. The prohibition imposed by the commissioner takes effect ten days after receipt of the notice. The civil penalty is imposed on receipt of the notice and must be paid within 30 days of imposition.

(b) A person who operates a snowmobile or all-terrain vehicle during the period the person is prohibited from operating the vehicle as provided under paragraph (a) is guilty of a misdemeanor.

Subd. 3. [RIGHTS AND OBLIGATIONS.] At the time a test is requested, the person must be informed:

(1) that Minnesota law requires a person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) that ~~if the person refuses to take the test, the~~ a person is subject to a civil penalty of \$500 ~~for refusing to take the test and, in addition, is prohibited from operating a one-year period from operating a snowmobile or an all-terrain vehicle, as provided under subdivision 2;~~

(3) that ~~if testing is refused it will not affect the person's motor vehicle driver's license;~~

(4) that ~~if the test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and in addition to any other penalties the court may impose, the person's operating privileges will be suspended as provided under section 84.91, subdivision 6;~~

(5) that, ~~after submitting to testing, the person has the right to have additional tests made by someone of the person's own choosing; and~~

(6) that ~~a refusal to take a test will be offered into evidence against the person at trial if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and~~

(4) that ~~the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test.~~

Subd. 4. [REQUIREMENT OF URINE TEST.] Notwithstanding subdivision 1, if there is probable cause to believe there is impairment by a controlled substance that is not subject to testing by a breath test, a blood or urine test may be required even after a breath test has been administered.

Subd. 5. [CHEMICAL TESTS.] Chemical tests administered under this section are governed by section 86B.335, subdivisions 8, 9, and 10.

Subd. 6. [JUDICIAL AND ADMINISTRATIVE REVIEW; ENFORCEMENT.] Judicial and administrative review of sanctions imposed under this section is governed by section 86B.335, subdivisions 3, 4, and 5. Payment and enforcement of the civil penalty imposed under this section is governed by section 86B.335, subdivisions 11 and 12.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 3

BOATING WHILE INTOXICATED

Section 1. Minnesota Statutes 1990, section 86B.331, is amended to read:

86B.331 [OPERATION WHILE USING ALCOHOL OR DRUGS OR WITH A PHYSICAL OR MENTAL DISABILITY.]

Subdivision 1. [ACTS PROHIBITED.] (a) A person may not operate or be in physical control of a motorboat in operation on the waters of this state ~~while under the influence of:~~

(1) *when the person is under the influence of alcohol; as provided in section ~~169.121~~, subdivision 1, paragraphs (a) and (d);*

(2) *when the person is under the influence of a controlled or other substance, as ~~provided~~ defined in section ~~169.121~~ 152.01, subdivision 4 4; or*

(3) *when the person is under the influence of a combination of any two or more of the elements named in clauses (1) ~~and~~, (2), and (6);*

(4) *when the person's alcohol concentration is 0.10 or more;*

(5) *when the person's alcohol concentration as measured within two hours of the time of operating is 0.10 or more; or*

(6) *when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate the motorboat.*

(b) An owner or other person having charge or control of a motorboat may not authorize or allow an individual the person knows or has reason to believe is under the influence of alcohol or a controlled or other substance, as provided under paragraph (a), to operate the motorboat in operation on the waters of this state.

(c) An owner or other person having charge or control of a motorboat may not knowingly authorize or allow a person, who by reason of a physical or mental disability is incapable of operating the motorboat, to operate the motorboat in operation on the waters of this state.

(d) For purposes of this subdivision, a motorboat "in operation" does not include a motorboat that is anchored, beached, or securely fastened to a dock or other permanent mooring.

Subd. 2. [ARREST.] Conservation officers of the department of natural resources, sheriffs, sheriff's deputies, and other peace officers may arrest a person for a violation under subdivision 1 without a warrant upon probable cause if, *without regard to whether the violation was committed in the officer's presence. If the violation did not occur in the officer's presence, the officer may arrest the person if the person was involved in a motorboat accident resulting in death, personal injury, or property damage.*

Subd. 3. [PRELIMINARY SCREENING TEST.] (a) If an officer authorized under subdivision 2 to make arrests has reason to believe from the manner in which a person is operating, controlling, or acting upon departure from a motorboat, or has operated or been in control of a motorboat, that the operator may be violating or has violated subdivision 1, paragraph (a), the officer may require the operator to provide a breath sample for a preliminary screening test using a device approved by the commissioner of public safety for this purpose.

(b) The results of the preliminary screening test shall be used for the purpose of deciding whether an arrest should be made under this section and whether to require the chemical tests authorized in section 86B.335, but may not be used in a court action except: (1) to prove that a test was properly required of an operator pursuant to section 86B.335; or (2) *in a civil action arising out of the operation or use of the motorboat.*

(c) Following the preliminary screening test, additional tests may be required of the operator as provided under section 86B.335.

(d) An operator who refuses a breath sample is subject to the provisions of section 86B.335 unless, in compliance with that section, the operator submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Subd. 4. [EVIDENCE.] (a) Upon the trial of a prosecution arising out of acts alleged to have been committed by a person arrested for operating or being in physical control of a motorboat in violation of subdivision 1, paragraph (a), *or an ordinance in conformity with it*, the court may admit evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine as shown by an analysis of those items.

(b) For the purposes of this subdivision:

(1) evidence that there was at the time an alcohol concentration of 0.05 or less is prima facie evidence that the person was not under the influence of alcohol; and

(2) evidence that there was at the time an alcohol concentration of more than 0.05 and less than 0.10 is relevant evidence in indicating whether or not the person was under the influence of alcohol.

(c) Evidence of the refusal to take a preliminary screening test required under subdivision 3 or a chemical test required under section 86B.335 is admissible into evidence in a prosecution under this section *or an ordinance in conformity with it*.

(d) This subdivision does not limit the introduction of other competent evidence bearing upon the question of whether or not the person violated

this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample. A sample is adequate if the instrument analyzes the sample and does not indicate the sample is deficient.

(e) *If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 1, paragraph (a), clause (5), that the defendant consumed a sufficient quantity of alcohol after the time of operating or physical control of a motorboat and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.10. Provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.*

Subd. 5. [PENALTIES.] (a) A person who violates a prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor; ~~except that.~~

(b) A person who violates a prohibition contained in subdivision 1 within five years of a prior impaired operating conviction ~~under that subdivision~~ or civil liability under section 86B.335, subdivision 2, or an ordinance in conformity with it, or within ten years of the first of two or more prior impaired operating convictions ~~under that subdivision~~ or civil liability under section 86B.335, subdivision 2, or an ordinance in conformity with it, is guilty of a gross misdemeanor.

For purposes of this section, a prior impaired operating conviction is a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 169.121; 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21, subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired operating conviction includes a prior juvenile adjudication that would have been a prior impaired operating conviction if committed by an adult.

(c) The attorney in the jurisdiction where the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section. *When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior impaired operating convictions from a court, the court must furnish the information without charge.*

~~(b)~~ (d) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat or after the person's ~~motorboat~~ watercraft operator's permit has been revoked, as provided under subdivision 6, is guilty of a misdemeanor.

Subd. 5a. [NOTICE OF ENHANCED PENALTIES.] *When a court sentences a person for a misdemeanor violation of this section, it shall inform the defendant of the statutory provisions that provide for enhancement of criminal penalties for repeat violators. The failure of a court to provide this information to a defendant does not affect the future applicability of these enhanced penalties to that defendant.*

Subd. 6. [SUSPENSION AND REVOCATION OF OPERATING PRIVILEGES.] (a) Upon conviction *under this section, or an ordinance in conformity with it*, and in addition to any penalty imposed under subdivision 5, the person is prohibited from operating any motorboat on the waters of this state for a period of 90 days between May 1 and October 31, extending over two consecutive years if necessary.

(b) A person with a ~~motorboat~~ *watercraft* operator's permit 13 years of age or older but less than 18 years of age and who violates any prohibition contained in subdivision 1 shall have the permit revoked by the commissioner as required by section 86B.811, subdivision 2, in addition to any other penalty imposed by the court.

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 86B.335, subdivision 2, to the commissioner. The commissioner shall notify the convicted person of the person when the person is prohibited from operating a motorboat as provided under subdivision 6 or section 86B.335, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating any motorboat or have had their ~~motorboat~~ *watercraft* operator's permits revoked pursuant to subdivision 6 or section 86B.335, subdivision 2.

Subd. 8. [GOVERNMENT IMMUNITY FROM LIABILITY FOR BOAT CARE.] The state or political subdivision that is the employer of an officer authorized under subdivision 2 to make an arrest for violations of subdivision 1 is immune from any liability, civil or criminal, for the care or custody of the motorboat being operated by or in the physical control of the person arrested if the officer acts in good faith and exercises due care.

Sec. 2. Minnesota Statutes 1990, section 86B.335, subdivision 1, is amended to read:

Subdivision 1. [CHEMICAL TESTING.] A person who operates or is in physical control of a motorboat in operation on the waters of this state is required, subject to the provisions of this section, to take or submit to a test of the person's blood, breath, or urine for the purpose of determining the presence and amount of alcohol or a controlled substance. A motorboat "in operation" does not include a motorboat that is anchored, beached, or securely fastened to a dock or other permanent mooring. The test shall be administered at the direction of an officer authorized to make arrests under section 86B.331, subdivision 2. Taking or submitting to the test is mandatory when requested by an officer who has probable cause to believe the person was operating or in physical control of a motorboat in violation of section 86B.331, subdivision 1, paragraph (a), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violating section 86B.331, subdivision 1, paragraph (a);

(2) the person has been involved in a motorboat accident resulting in property damage, personal injury, or death;

(3) the person has refused to take the preliminary screening test provided for in section 86B.331, subdivision 3; or

(4) the screening test was administered and ~~recorded~~ *indicated* an alcohol concentration of 0.10 or more.

Sec. 3. Minnesota Statutes 1990, section 86B.335, subdivision 2, is amended to read:

Subd. 2. [REFUSAL TO TAKE TEST.] (a) If a person refuses to take a test required under subdivision 1, a test is not to be given, but the officer authorized to make arrests under section 86B.331, subdivision 2, shall report the refusal to the commissioner of natural resources and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction where the incident occurred that gave rise to the test demand and refusal. *However, if a peace officer has probable cause to believe that the person has violated section 609.21, a test may be required and obtained despite the person's refusal.*

(b) On certification by the officer that probable cause existed to believe the person had been operating or in physical control of a motorboat while under the influence of alcohol or a controlled substance, and that the person refused to submit to testing, the commissioner shall impose a civil penalty of \$500 and shall prohibit the person from operating any motorboat on the waters of this state for a period of one year *even if a test was obtained pursuant to this section after the person refused to submit to testing.* If the person refusing to submit to testing is under the age of 18 years at the time of the refusal, the person's watercraft operator's permit shall be revoked by the commissioner as set forth in this subdivision and a new permit after the revocation must be issued only after the person successfully completes a watercraft safety course.

(c) On behalf of the commissioner, an officer requiring a test or directing the administration of a test shall serve on a person who refused to permit a test immediate notice of intention to impose the civil penalty set forth in this subdivision, to prohibit the operation of motorboats, and to revoke a watercraft operator's permit. The officer shall take a watercraft operator's permit held by the person, and shall send the permit to the commissioner along with the certification provided for in this subdivision. If the officer fails to serve a notice of intent to revoke, the commissioner may notify the person by mail and the notice is deemed received three days after mailing. The notice must advise the person of the right to obtain administrative and judicial review as provided in this section. The prohibition and revocation, if any, shall take effect ten days after receipt of the notice. The civil penalty is imposed on receipt of the notice and shall be paid within 30 days of imposition.

(d) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating a motorboat as provided under paragraph (b) or (c) is guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 1990, section 86B.335, subdivision 4, is amended to read:

Subd. 4. [JUDICIAL REVIEW.] (a) Within 30 days following receipt of a notice and order imposing sanctions under this section, a person may petition the court for review. The petition must be filed with the *district* court administrator ~~of the county, municipal, or unified trial court~~ in the county where the incident occurred which gave rise to the test demand and refusal, together with proof of service of a copy on the commissioner and the prosecuting authority for misdemeanor offenses for the jurisdiction in which the incident occurred. A responsive pleading is not required of the commissioner of natural resources, and court fees may not be charged for the appearance of the representative of the commissioner in the matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and the commissioner as respondent. The petition must state specifically the grounds upon which the petitioner seeks rescission of the order imposing sanctions.

(c) The filing of the petition does not stay the revocation or prohibition against operation of a motorboat. However, the filing of a petition stays imposition of the civil penalty. The judicial review shall be conducted according to the rules of civil procedure.

Sec. 5. Minnesota Statutes 1990, section 86B.335, subdivision 5, is amended to read:

Subd. 5. [HEARING.] (a) A hearing under this section must be before a ~~municipal, county, or unified~~ *district* court judge in the county where the incident occurred which gave rise to the test demand and refusal. The hearing must be to the court and may be conducted at the same time as hearings upon pretrial motions in the criminal prosecution under section 86B.331. The hearing must be recorded. The commissioner must be represented by the prosecuting authority for misdemeanor offenses for the jurisdiction in which the incident occurred which gave rise to the test demand and refusal.

(b) The hearing must be held at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review. The reviewing court may order a temporary stay of the balance of the prohibition or revocation if the hearing has not been conducted within 60 days after filing of the petition, upon the application of the petitioner and upon terms the court deems proper.

(c) The scope of the hearing must be limited to the issues of:

(1) whether the officer had probable cause to believe that the person was operating or in physical control of a motorboat in violation of section 86B.331;

(2) whether one of the conditions in subdivision 1 existed;

(3) whether the person was informed as prescribed in subdivision 6; and

(4) whether the person refused to submit to testing.

(d) It is an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

(e) The court shall order that the prohibition or revocation be either sustained or rescinded and shall either sustain or rescind the civil penalty. The court shall forward a copy of the order to the commissioner.

Sec. 6. Minnesota Statutes 1990, section 86B.335, subdivision 6, is amended to read:

Subd. 6. [RIGHTS AND OBLIGATIONS.] At the time a test is requested, the person must be informed:

(1) that Minnesota law requires a person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) that a person is subject to a civil penalty of \$500 for refusing to take the test and, in addition, the person is *may be* prohibited from operating any motorboat; ~~as provided under subdivision 2; for refusing to take the test;~~

(3) ~~that if testing is refused it will not affect the person's motor vehicle~~

driver's license:

~~(4) that if the test is taken and the results indicate that the person is under the influence of alcohol or a controlled substance, the person will be subject to criminal penalties and, in addition to any other penalties the court may impose, the person's operating privileges will be suspended as provided under section 86B.331, subdivision 6, paragraph (a);~~

~~(5) that, after submitting to testing, the person has the right to have additional tests made by someone of the person's own choosing; and~~

~~(6) that a refusal to take a test will be offered into evidence against the person at trial if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and~~

~~(4) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test.~~

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective June 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 4

AIRCRAFT OPERATION WHILE INTOXICATED

Section 1. Minnesota Statutes 1990, section 360.0752, is amended by adding a subdivision to read:

Subd. 2a. [REFUSAL TO SUBMIT TO TESTING; CRIME.] It is a crime for any person to refuse to submit to a chemical test of the person's blood, breath, or urine under section 360.0753.

Sec. 2. Minnesota Statutes 1990, section 360.0752, subdivision 6, is amended to read:

Subd. 6. [CRIMINAL PENALTIES.] (a) A person who violates subdivision 2, clause (g); or 3, is guilty of a misdemeanor.

(b) A person who violates subdivision 2, clauses (a) to (f), or subdivision 2a, is guilty of a gross misdemeanor.

(c) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations shall also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 3. Minnesota Statutes 1990, section 360.0753, subdivision 2, is amended to read:

Subd. 2. [IMPLIED CONSENT; CONDITIONS; ELECTION AS TO TYPE OF TEST.] (a) Any person who operates or attempts to operate an aircraft in or over this state or over any boundary water of this state consents, subject to the provisions of this section and section 360.0752, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol or a controlled substance. The test shall be administered at the direction of a peace officer. The test may be required of a person when an officer has probable cause to believe the person was operating or attempting to operate an aircraft in violation of section 360.0752 and one of the following conditions exists:

(1) the person has been lawfully placed under arrest for violation of section 360.0752;

(2) the person has been involved in an aircraft accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 360.0752;

(4) the screening test was administered and recorded an alcohol concentration of 0.04 or more; or

(5) the officer had probable cause to believe that the person was operating or attempting to operate an aircraft with any amount of alcohol present in the person's body.

(b) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine the presence of alcohol or to determine if the person is under the influence of alcohol or a controlled substance;

~~(2) that if testing is refused, the person will be disqualified from operating an aircraft for a minimum period of one year;~~

~~(3) that if a test is taken and the results indicate an alcohol concentration of 0.04 or more or that the person is under the influence of a controlled substance, the person will be subject to criminal penalties and the person may be prohibited from operating an aircraft in this state for up to one year;~~

~~(4) that after submitting to testing, the person has the right to consult with an attorney and to have additional tests made by someone of the person's own choosing; and~~

~~(5) that if the person refuses to take a test, the refusal will be offered into evidence against the person at trial; whether a test is taken or refused, the person may be subject to criminal prosecution for an alcohol or controlled substance related offense relating to the operation of an aircraft;~~

~~(3) that if testing is refused, the person may be subject to criminal prosecution because the person refused testing and the person will be disqualified from operating an aircraft for a minimum period of one year;~~

~~(4) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and~~

~~(5) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.~~

(c) The peace officer who requires a test pursuant to this subdivision may direct whether the test shall be of blood, breath, or urine. Action may be taken against a person who refuses to take a blood test only if an alternative test was offered, and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

Sec. 4. Minnesota Statutes 1990, section 360.0753, subdivision 7, is amended to read:

Subd. 7. [REFUSAL TO PERMIT TEST; CEASE AND DESIST ORDER.] If a person under arrest refuses to permit chemical testing, none shall be given, but the commissioner of transportation, upon the receipt of

a certificate of the peace officer that the officer had reasonable and probable grounds to believe the arrested person had been operating or attempting to operate an aircraft in violation of section 360.0752 and that the person had refused to permit the test, shall issue a cease and desist order prohibiting the operation of an aircraft for a period of one year. *However, if a peace officer has probable cause to believe that the person has violated section 609.21, a test may be required and obtained despite the person's refusal. When a test is obtained pursuant to this section after the person refused to submit to testing, the commissioner of transportation shall issue a cease and desist order under this section based on the person's refusal.*

Sec. 5. Minnesota Statutes 1990, section 360.0753, subdivision 9, is amended to read:

Subd. 9. [HEARING.] The hearing shall be before a district court in the county where the arrest occurred, unless there is agreement that the hearing may be held in some other county. The hearing shall be recorded and proceed as in a criminal matter, without the right of trial by jury, and its scope shall cover the issues of whether the peace officer had reasonable and probable grounds to believe the person was operating or attempting to operate an aircraft in violation of section 360.0752; whether the person was lawfully placed under arrest; whether the person refused to permit the test, and if the person refused whether the person had reasonable grounds for refusing to permit the test; and whether at the time of request for the test the peace officer informed the person that the right to fly ~~might~~ will be denied if the person refused to permit the test and of the right to have additional tests made by someone of the person's own choosing. The court shall order either that the denial be rescinded or sustained and refer the order to the commissioner of transportation for further action.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 5

HUNTING WHILE INTOXICATED

Section 1. Minnesota Statutes 1990, section 97A.421, subdivision 4, is amended to read:

Subd. 4. [~~ISSUANCE AFTER INTOXICATION OR NARCOTICS CONVICTION FOR HUNTING WHILE INTOXICATED.~~] *If a person is convicted of a violation under section 97B.065, relating to hunting while intoxicated or using narcotics, may not obtain under the influence of alcohol or a controlled substance, the court may prohibit the person from obtaining a license to hunt with a firearm or by archery for up to five years after conviction.*

Sec. 2. Minnesota Statutes 1990, section 97B.065, is amended to read:

97B.065 [HUNTING WHILE UNDER THE INFLUENCE OF ALCOHOL OR A CONTROLLED SUBSTANCE.]

Subdivision 1. [ACTS PROHIBITED.] (a) A person may not take protected wild animals with a firearm or by archery while under the influence of alcohol or a controlled substance.:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance, as

defined in section 152.01, subdivision 4; or

(3) when the person is under the influence of a combination of any two or more of the elements in clauses (1) and (2);

(4) when the person's alcohol concentration is 0.10 or more;

(5) when the person's alcohol concentration as measured within two hours of the time of taking is 0.10 or more; or

(6) when the person is knowingly under the influence of any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate a firearm or bow and arrow.

(b) An owner or other person having charge or control of a firearm or bow and arrow may not authorize or permit an individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance, as provided under paragraph (a), to possess the firearm or bow and arrow in this state or on a boundary water of this state.

Subd. 2. [ARREST.] A peace officer may arrest a person for a violation under subdivision 1 without a warrant upon probable cause, without regard to whether the violation was committed in the officer's presence.

Subd. 3. [PRELIMINARY SCREENING TEST.] When an officer authorized under subdivision 2 to make arrests has reason to believe that the person may be violating or has violated subdivision 1, paragraph (a), the officer may require the person to provide a breath sample for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of the preliminary screening test must be used for the purpose of deciding whether an arrest should be made under this section and whether to require the chemical tests authorized in section 3, but may not be used in any court action except: (1) to prove that a test was properly required of a person under section 3, or (2) in a civil action arising out of the operation of a firearm or bow and arrow. Following the preliminary screening test, additional tests may be required of the person as provided under section 3. A person who refuses a breath sample is subject to the provisions of section 3 unless, in compliance with that section, the person submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Subd. 4. [EVIDENCE.] In a prosecution for a violation of subdivision 1, paragraph (a), or an ordinance in conformity with it, the admission of evidence of the amount of alcohol or a controlled substance in the person's blood, breath, or urine is governed by section 86B.331, subdivision 4.

Subd. 5. [PENALTIES.] (a) A person who violates a prohibition in subdivision 1, or an ordinance in conformity with it, is subject to the penalties provided in section 97A.331.

(b) A person who hunts during the period the person is prohibited from hunting under subdivision 6 is guilty of a misdemeanor.

Subd. 6. [HUNTING PRIVILEGES SUSPENDED.] Upon conviction, and in addition to any penalty imposed under subdivision 5, the person is subject to the limitations on hunting provided in section 97A.421.

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward to the commissioner copies of all convictions and criminal and civil

penalties imposed under subdivision 5 and section 3, subdivision 2. The commissioner shall notify the convicted person of the period during which the person is prohibited from hunting under subdivision 6 and section 97A.421. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from hunting under subdivision 6 and section 97A.421.

Subd. 8. [IMMUNITY FROM LIABILITY.] The state or political subdivision that employs an officer who is authorized under subdivision 2 to make an arrest for violations of subdivision 1 is immune from any liability, civil or criminal, for the care or custody of the hunting equipment in the physical control of the person arrested if the officer acts in good faith and exercises due care.

Sec. 3. [97B.066] [CHEMICAL TESTING.]

Subdivision 1. [MANDATORY CHEMICAL TESTING.] A person who takes wild animals with a bow or firearm in this state or on a boundary water of this state is required, subject to the provisions of this section, to take or submit to a test of the person's blood, breath, or urine for the purpose of determining the presence and amount of alcohol or a controlled substance. The test shall be administered at the direction of an officer authorized to make arrests under section 97B.065, subdivision 2. Taking or submitting to the test is mandatory when requested by an officer who has probable cause to believe the person was hunting in violation of section 97B.065, subdivision 1, paragraph (a), and one of the following conditions exists:

(1) the person has been lawfully placed under arrest for violating section 97B.065, subdivision 1, paragraph (a);

(2) the person has been involved while hunting in an accident resulting in property damage, personal injury, or death;

(3) the person has refused to take the preliminary screening test provided for in section 97B.065, subdivision 3; or

(4) the screening test was administered and recorded an alcohol concentration of 0.10 or more.

Subd. 2. [PENALTIES; REFUSAL; REVOCATION OF HUNTING PRIVILEGE.] (a) If a person refuses to take a test required under subdivision 1, none must be given but the officer authorized to make arrests under section 97B.065, subdivision 2, shall report the refusal to the commissioner of natural resources and to the authority having responsibility for prosecution of misdemeanor offenses for the jurisdiction in which the incident occurred that gave rise to the test demand and refusal.

On certification by the officer that probable cause existed to believe the person had been hunting while under the influence of alcohol or a controlled substance, and that the person refused to submit to testing, the commissioner shall impose a civil penalty of \$500 and shall prohibit the person from hunting for one year.

On behalf of the commissioner, an officer requiring a test or directing the administration of a test shall serve on a person who refused to permit a test immediate notice of intention to prohibit the person from hunting, and to impose the civil penalty set forth in this subdivision. If the officer fails to serve a notice of intent to suspend hunting privileges, the commissioner may notify the person by certified mail to the address on the license of the person. The notice must advise the person of the right to obtain

administrative and judicial review as provided in this section. The prohibition imposed by the commissioner takes effect ten days after receipt of the notice. The civil penalty is imposed 30 days after receipt of the notice or upon return of the certified mail to the commissioner, and must be paid within 30 days of imposition.

(b) A person who hunts during the period the person is prohibited from hunting as provided under paragraph (a) is guilty of a misdemeanor.

Subd. 3. [RIGHTS AND OBLIGATIONS.] At the time a test is requested, the person must be informed that:

(1) Minnesota law requires a person to take a test to determine if the person is under the influence of alcohol or a controlled substance;

(2) if the person refuses to take the test, the person is subject to a civil penalty of \$500 and is prohibited for a one-year period from hunting, as provided under subdivision 2;

(3) that the person has the right to consult with an attorney, but that this right is limited to the extent it cannot unreasonably delay administration of the test or the person will be deemed to have refused the test.

Subd. 4. [REQUIREMENT OF URINE TEST.] Notwithstanding subdivision 1, if there is probable cause to believe there is impairment by a controlled substance that is not subject to testing by a breath test, a blood or urine test may be required even after a breath test has been administered.

Subd. 5. [CHEMICAL TESTS.] Chemical tests administered under this section are governed by section 86B.335, subdivisions 8, 9, and 10.

Subd. 6. [JUDICIAL AND ADMINISTRATIVE REVIEW; ENFORCEMENT.] Judicial and administrative review of sanctions imposed under this section is governed by section 86B.335, subdivisions 3, 4, and 5. Payment and enforcement of the civil penalty imposed under this section is governed by section 86B.335, subdivisions 11 and 12.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1992, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and 360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.29, subdivision 2; 171.30, subdivision 2a;

and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.”

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 2326. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 2326. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2780, 2556, 1731, 2434, 651, 2144, 1993, 2702, 2468, 2193 and 2042 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2608 and 2707 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Solon moved that the name of Mr. Frank be added as a co-author to S.F. No. 398. The motion prevailed.

Mr. Hottinger moved that the name of Mr. Renneke be added as a co-author to S.F. No. 1635. The motion prevailed.

Ms. Berglin moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Samuelson be added as chief author to S.F. No. 2650. The motion prevailed.

Mr. Merriam moved that the name of Mr. Morse be added as a co-author to S.F. No. 2389. The motion prevailed.

Messrs. Vickerman, DeCramer and Frederickson, D.J. introduced—

Senate Resolution No. 133: A Senate resolution congratulating the Tracy-Milroy Girls Basketball Team on winning the 1992 State High School Class A Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Lessard introduced—

Senate Resolution No. 134: A Senate resolution congratulating the Greenway High School Raiders for winning the first Tier II State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

CALENDAR

H.F. No. 2769: A bill for an act relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

Was read the third time 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	Johnson, D.J.	McGowan	Ranum
Beckman	DeCramer	Johnson, J.B.	Mehrkens	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	Novak	Spear
Bertram	Frederickson, D.R.	Langseth	Olson	Stumpf
Brataas	Gustafson	Larson	Pappas	Traub
Chmielewski	Halberg	Lessard	Pariseau	Vickerman
Dahl	Hottinger	Luther	Piper	Waldorf
Davis	Johnson, D.E.	Marty	Price	

So the bill passed and its title was agreed to.

H.F. No. 2287: A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 1, 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	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
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	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2225: A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections and other governance issues; amending Laws 1955, chapter 151, section 1, subdivision 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 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	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
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. 2341: A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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. 1350: A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1991 Supplement, section 353.27, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, 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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 2046: A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold; amending Minnesota Statutes 1990, section 514.20.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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	Stumpf
Brataas	Gustafson	Luther	Pariseau	Terwilliger
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.E.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 2640: A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, 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 65 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	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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1728: A bill for an act relating to elected officials; compensation plans; prohibiting compensation for unused vacation and sick leave for certain elected officials of political subdivisions; amending Minnesota Statutes 1990, section 43A.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 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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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. 1489: A bill for an act relating to cooperatives; regulating regular or special meetings; requiring meetings to be open to members, with certain exceptions; proposing coding for new law in Minnesota Statutes, chapter 308A.

Was read the third time 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	DeCramer	Johnson, J.B.	Merriam	Ranum
Belanger	Dicklich	Johnston	Metzen	Reichgott
Benson, D.D.	Finn	Kelly	Moe, R.D.	Renneke
Benson, J.E.	Flynn	Knaak	Mondale	Riveness
Berg	Frank	Kroening	Morse	Sams
Berglin	Frederickson, D.J.	Laidig	Neuville	Samuelson
Bernhagen	Frederickson, D.R.	Langseth	Novak	Solon
Bertram	Gustafson	Larson	Olson	Spear
Brataas	Halberg	Lessard	Pappas	Stumpf
Cohen	Hottinger	Luther	Pariseau	Terwilliger
Dahl	Hughes	Marty	Piper	Traub
Davis	Johnson, D.E.	McGowan	Pogemiller	Vickerman
Day	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 2388: A bill for an act relating to local government; regulating certain interests in contracts by public officers; 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Moe, R.D.	Sams
Belanger	Dicklich	Kelly	Mondale	Samuelson
Benson, D.D.	Finn	Knaak	Morse	Solon
Benson, J.E.	Flynn	Kroening	Neuville	Spear
Berg	Frank	Laidig	Novak	Stumpf
Berglin	Frederickson, D.J.	Langseth	Olson	Terwilliger
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	

So the bill passed and its title was agreed to.

S.F. No. 1693: A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; 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 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Knaak	Morse	Sams
Benson, J.E.	Frank	Kroening	Neuville	Samuelson
Berg	Frederickson, D.J.	Laidig	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Stumpf
Brataas	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Vickerman
Cohen	Hughes	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.E.	Mehrkens	Price	
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 2256: A bill for an act relating to regional development commissions; requiring regional development commissions to establish permit and license information centers; amending Minnesota Statutes 1990, sections 116C.34, subdivisions 1 and 3; and 462.391, 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 8, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, J.B.	Metzen	Reichgott
Beckman	Finn	Johnston	Moe, R.D.	Riveness
Belanger	Flynn	Kelly	Mondale	Sams
Benson, D.D.	Frank	Knaak	Morse	Samuelson
Benson, J.E.	Frederickson, D.J.	Kroening	Neuville	Solon
Berglin	Frederickson, D.R.	Laidig	Novak	Spear
Bertram	Gustafson	Langseth	Pappas	Stumpf
Brataas	Halberg	Lessard	Pariseau	Terwilliger
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Day	Johnson, D.E.	McGowan	Price	Waldorf
DeCramer	Johnson, D.J.	Mehrkens	Ranum	

Those who voted in the negative were:

Berg	Chmielewski	Larson	Olson	Renneke
Bernhagen	Davis	Merriam		

So the bill passed and its title was agreed to.

S.F. No. 2337: A bill for an act relating to human services; providing for medical assistance coverage of home health services delivered in a facility under certain circumstances; providing for medical assistance coverage of personal care services provided outside the home when authorized by the responsible party; allowing foster care providers to deliver personal care services if monitored; defining responsible party; allowing recipients to request continuation of services at a previously authorized level while an appeal is pending; requiring cost effectiveness of services to be considered; amending Minnesota Statutes 1991 Supplement, sections 256B.0625, subdivisions 6a and 19a; and 256B.0627, subdivisions 1, 4, 5, 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 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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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

Pursuant to Rule 40, Mr. Berg, first author, moved that S.F. No. 168 be withdrawn from the Committee on Judiciary, given its second reading and placed at the top of General Orders.

CALL OF THE SENATE

Mr. Berg imposed a call of the Senate for the balance of the proceedings on S.F. No. 168. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Berg.

The roll was called, and there were yeas 43 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Halberg	Larson	Renneke
Beckman	Dahl	Johnson, D.E.	Lessard	Sams
Belanger	Davis	Johnson, D.J.	McGowan	Samuelson
Benson, D.D.	Day	Johnston	Mehrkens	Solon
Benson, J.E.	Dicklich	Kelly	Metzen	Stumpf
Berg	Finn	Knaak	Morse	Terwilliger
Bernhagen	Frank	Kroening	Neuville	Vickerman
Bertram	Frederickson, D.R.	Laidig	Olson	
Brataas	Gustafson	Langseth	Pariseau	

Those who voted in the negative were:

Berglin	Hottinger	Merriam	Piper	Spear
Cohen	Hughes	Moe, R.D.	Price	Trauh
DeCramer	Johnson, J.B.	Mondale	Ranum	Waldorf
Flynn	Luther	Novak	Reichgott	
Frederickson, D.J.	Marty	Pappas	Riveness	

The motion prevailed.

S.F. No. 168: A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

S.F. No. 168 was read the second time.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 3:15 p.m. The motion prevailed.

The hour of 3:15 p.m. having arrived, the President called the Senate to order.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees 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. Solon from the Committee on Commerce, to which was referred

S.F. No. 1836: A bill for an act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections

53A.02; 53A.04; and 53A.05.

Reports the 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 8.31, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATE OFFENSES AGAINST THE PROVISIONS OF CERTAIN DESIGNATED SECTIONS; ASSIST IN ENFORCEMENT.] The attorney general shall investigate violations of the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, and specifically, but not exclusively, the nonprofit corporation act (sections 317A.001 to 317A.909), the act against unfair discrimination and competition (sections 325D.01 to 325D.08), the unlawful trade practices act (sections 325D.09 to 325D.16), the antitrust act (sections 325D.49 to 325D.66), section 325F.67 and other laws against false or fraudulent advertising, the antidiscrimination acts contained in section 325D.67, the act against monopolization of food products (section 325D.68), and the prevention of consumer fraud act (sections 325F.68 to 325F.70), and chapter 53A regulating currency exchanges and assist in the enforcement of those laws as in this section provided.

Sec. 2. Minnesota Statutes 1990, section 53A.02, is amended to read:

53A.02 [LICENSE.]

Subdivision 1. [REQUIREMENT.] A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner. A person may operate currency exchanges at more than one location with one license. Not more than one place of business may be operated under the same license, but the commissioner may issue more than one license to the same licensee upon compliance by the applicant with all the provisions of this chapter for each new license issued.

Subd. 2. [DISTANCE LIMITATION.] No license may be issued or renewed under this chapter if the place of business to be operated under the license is located or proposed to be located within one-half mile of another licensed currency exchange. The distance limitation imposed by this subdivision is measured by a straight line from the closest points of the closest structures involved.

Subd. 3. [PROHIBITION.] A licensee may not contract with another person or business entity to manage the currency exchange business. This subdivision does not prohibit the licensee from employing persons to operate a currency exchange facility.

Sec. 3. Minnesota Statutes 1990, section 53A.03, is amended to read:

53A.03 [APPLICATION FOR LICENSE; FEES.]

(a) An application for a license must be in writing, under oath, and in the form prescribed and furnished by the commissioner and must contain the following:

(1) the full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member, and the name and business address if the applicant is a corporation;

(2) the county and municipality, with street and number, if any, of all

currency exchange locations operated by the applicant; and

(3) the applicant's occupation or profession, for the ten years immediately preceding the application; present or previous connection with any other currency exchange in this or any other state; whether the applicant has ever been convicted of any crime; and the nature of the applicant's occupancy of the premises to be licensed; and if the applicant is a partnership or a corporation, the information specified in this paragraph must be supplied for each partner and each officer and director of the corporation. If the applicant is a partnership or a nonpublicly held corporation, the information specified in this paragraph must be required of each partner and each officer, director, and stockholders owning in excess of ten percent of the corporate stock of the corporation.

(b) The application shall be accompanied by a nonrefundable fee of \$250 for the review of the initial application. Upon approval by the commissioner, an additional license fee of \$50 must be paid by the applicant as an annual license fee for the remainder of the calendar year. An annual license fee of \$50 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before December 1. Fees must be deposited in the state treasury and credited to the general fund. Upon payment of the required annual license fee, the commissioner shall issue a license for the year beginning January 1.

(c) The commissioner shall require the applicant to submit to a background investigation conducted by the bureau of criminal apprehension as a condition of licensure. The cost of the investigation must be paid by the applicant.

Sec. 4. Minnesota Statutes 1990, section 53A.04, is amended to read:
53A.04 [APPROVAL OR DENIAL OF AN APPLICATION.]

~~The commissioner shall approve or deny an application within 30 days from the completed filing of it.~~ *(a) Within 30 days after the receipt of a complete application, the commissioner shall deny the application or submit the application to the governing body of the local unit of government in which the applicant is located or is proposing to be located. The commissioner may not approve the application without the concurrence of the governing body. The governing body shall give published notice of its intention to consider the issue and shall solicit testimony from interested persons, including those in the community in which the applicant is located or is proposing to be located. If the governing body has not approved or disapproved the issue within 60 days of receipt of the application, concurrence is presumed. The commissioner must approve or disapprove the application within 30 days from receiving the decision of the governing body. The governing body shall have the sole responsibility for its decision. The state shall have no responsibility for that decision.*

(b) If the application is denied, the commissioner shall send by mail notice of the denial and the reason for the denial to the applicant at the address contained in the application. If an application is denied, the applicant may, within 30 days of receiving the notice of a denial, request a contested case hearing pursuant to chapter 14; provided that if the denial is based upon the refusal of the governing body to concur the governing body must afford the applicant a hearing. The applicant shall have no right to the hearing provided for in this section if the denial is based upon the governing body's refusal to concur but shall have a hearing before the governing body.

(c) This section applies to initial applications and renewal applications.

(d) The state shall have no responsibility for the action of the governing body.

Sec. 5. Minnesota Statutes 1990, section 53A.05, is amended to read:
53A.05 [CHANGE OF NAME OR LOCATION.]

If a licensee proposes to change the name or location of any or all of its currency exchanges, ~~or adds a new currency exchange location,~~ the licensee shall file an application for approval of the change with the commissioner. *The commissioner shall not approve a change of location if the requirements of sections 53A.02, subdivision 2, and 53A.04 have not been satisfied.* If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A \$50 fee must be paid for the amended license.

Sec. 6. Minnesota Statutes 1990, section 53A.08, is amended to read:
53A.08 [BOND.]

~~Any~~ *Before a license may be issued to a currency exchange that engages in the sale of money orders or travelers' checks shall comply with bonding requirements pursuant to section 48.151, the applicant shall file annually with and have approved by the commissioner a surety bond, issued by a bonding company authorized to do business in this state in the principal amount of \$10,000. The bond must run to the commissioner and is for the benefit of creditors of the currency exchange for liability incurred by the currency exchange on money orders issued or sold by the currency exchange, for liability incurred by the currency exchange for sums due to a payee or endorsee of a check, draft, or money order left with the currency exchange for collection, and for liability incurred by the currency exchange in connection with providing currency exchange services. The commissioner may require a licensee to file a bond in an additional amount if the commissioner considers it necessary to meet the requirements of this section. In no case may the bond be less than the initial \$10,000 or more than the outstanding liabilities.*

Sec. 7. [53A.081] [ANNUAL REPORT AND INVESTIGATIONS.]

Subdivision 1. [ANNUAL REPORT.] On or before March 1, a licensee shall file an annual report with the commissioner for the previous calendar year. The report must contain information that the commissioner may reasonably require concerning, and for the purpose of examining, the business and operations of each licensed currency exchange.

Subd. 2. [INVESTIGATION.] The commissioner may at any time and shall at least once in each year investigate the currency exchange business of any licensee and of every person, partnership, association, and corporation engaged in the business of operating a currency exchange in the manner provided under section 45.027.

Sec. 8. [REPEALER.]

Minnesota Statutes 1990, section 53A.14, is repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment. Section 2, subdivision 2, applies to licenses issued for new places of business that begin operating on or after the effective date. Sections 1; 2, subdivision 1; and 3 to 8 apply to licenses issued or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to financial institutions; currency exchanges; imposing distance limitations and operating restrictions; requiring local approval of licenses; amending Minnesota Statutes 1990, sections 8.31, subdivision 1; 53A.02; 53A.03; 53A.04; 53A.05; and 53A.08; proposing coding for new law in Minnesota Statutes, chapter 53A; repealing Minnesota Statutes 1990, section 53A.14."

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. 2212: A bill for an act relating to commerce; regulating service of process on certain corporations; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; regulating insurance agent licensing and education; regulating conversion privileges on accident and health policies; modifying coverage for diagnostic procedures for cancer; regulating crop hail adjusters; making various technical changes; amending Minnesota Statutes 1990, sections 48.185, subdivision 7; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.21, subdivision 2; 60D.02, subdivision 8; 62A.21, subdivision 2b; 62A.30, subdivision 1; 62A.54; 62E.16; 64B.35, subdivision 2; 71A.02, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 82B.15, subdivision 3; 83.39, subdivisions 1 and 2; and 543.08; repealing Minnesota Statutes 1990, section 65B.70.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

GENERAL INSURANCE PROVISIONS

Section 1. Minnesota Statutes 1990, section 45.012, is amended to read:
45.012 [COMMISSIONER.]

(a) The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

(b) *Data that is received by the commissioner or the commissioner's designee by virtue of membership or participation in an association, group, or organization that is not otherwise subject to chapter 13 is confidential or protected nonpublic data but may be shared with the department employees as the commissioner considers appropriate. The commissioner may release the data to any person, agency, or the public if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.*

Sec. 2. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order *adopted or issued* under those chapters, or to aid in the enforcement of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or in the prescribing of rules or forms under those chapters;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, and of every person who is engaged in any activity regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

(7) require any person subject to chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to report all sales or transactions that are regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Sec. 3. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 1a. [RESPONSE TO DEPARTMENT REQUESTS.] An applicant, registrant, certificate holder, licensee, or other person subject to the jurisdiction of the commissioner shall comply with requests for information, documents, or other requests from the department within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the department. Applicants, registrants, certificate holders, licensees, or other persons subject to the jurisdiction of the commissioner shall appear before the commissioner or the commissioner's representative when requested to do so and shall bring all documents or materials that the commissioner or the commissioner's representative has requested.

Sec. 4. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 2, is amended to read:

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, ~~or~~ proceeding, *or inquiry* under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Sec. 5. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 5, is amended to read:

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule ~~or order~~ adopted *or order issued* under those chapters, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, unless the person requesting the hearing and the department of commerce agree the hearing be scheduled after the seven-day period. After the hearing and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Sec. 6. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, *or any rule adopted or order issued under those chapters* unless a different penalty is specified.

Sec. 7. Minnesota Statutes 1991 Supplement, section 45.027, subdivision

7. is amended to read:

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98, or censure that person if the commissioner finds that:

(1) the order is in the public interest; and

(2) the person has violated chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98 *or any rule adopted or order issued under those chapters.*

The commissioner may make any data otherwise classified as private or confidential pursuant to this section accessible to an appropriate person or agency if the licensing agency determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.

Sec. 8. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 10. [REHABILITATION OF CRIMINAL OFFENDERS.] Chapter 364 does not apply to an applicant for a license or licensee where the underlying conduct on which the conviction is based would be grounds for denial, censure, suspension, or revocation of the license.

Sec. 9. Minnesota Statutes 1990, section 59A.08, subdivision 1, is amended to read:

Subdivision 1. A premium finance agreement shall:

(a) Be dated and signed by or on behalf of the insured, and the printed portion thereof shall be in at least eight point type;

(b) Contain the name and place of business of the insurance agent or insurance broker negotiating the related insurance contract, the name and residence or the place of business of the insured as specified, the name and place of business of the premium finance company to which installments or other payments are to be made, *the name of the insurer issuing the related insurance contract*, a description of the insurance contracts including the term and type of policy, the premiums for which are advanced or are to be advanced under the agreement and the amount of the premiums therefor; and

(c) Set forth the following items where applicable:

(1) The total amount of the premiums,

(2) The amount of the down payment,

(3) The balance of premiums due, the amount financed (the difference between items (1) and (2)),

(4) The amount of the finance charge,

(5) The amount of the flat service fee,

(6) The total of payments (sum of items (3), (4) and (5)).

Sec. 10. Minnesota Statutes 1990, section 59A.08, subdivision 4, is amended to read:

Subd. 4. The premium finance company or the insurance agent shall deliver to the insured, or mail to the insured at the address shown in the agreement, a completed copy of that agreement. *Within 15 days of receiving the policy number of the policy being financed, the premium finance company shall mail to the insurer a notice of financed premium, which contains the term, amount of premium, and type of policy being financed.*

Sec. 11. Minnesota Statutes 1990, section 59A.11, subdivision 4, is amended to read:

Subd. 4. Where statutory, regulatory or contractual restrictions provide that the insurance contract may not be canceled unless notice is given to a governmental agency, mortgagee, or other third party, the insurer shall give the prescribed notice on behalf of itself or the insured to the governmental agency, mortgagee or other third party within a ~~reasonable time~~ *five business days* after the day it receives the notice of cancellation from the premium finance company. When the above restrictions require the continuation of insurance beyond the effective date of cancellation specified by the premium finance company, the insurance shall be limited to the coverage to which the restrictions relate and to the persons they are designed to protect.

Sec. 12. Minnesota Statutes 1990, section 59A.12, subdivision 1, is amended to read:

Subdivision 1. Whenever a financed insurance contract is canceled, within 30 days of the effective date of cancellation, *if the premium finance company has notified the insurer that the premiums are financed*, the insurer shall return whatever gross unearned premiums, computed pro rata, are due under the insurance contract to the premium finance company for the account of the insured or insureds. This action by the insurer satisfies the insurer's obligations under the insurance contract which relate to the return of the unearned premiums.

Sec. 13. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

Subd. 1a. [ASSOCIATION OR ASSOCIATIONS.] "Association" or "associations" means an organized body of people who have some interest in common and that has at the onset a minimum of 100 persons; is organized and maintained in good faith for purposes other than that of obtaining insurance; and has a constitution and bylaws which provide that: (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members; (2) except for credit unions, the association or associations collect dues or solicit contributions from members; (3) the members have voting privileges and representation on the governing board and committees, which provide the members with control of the association including the purchase and administration of insurance products offered to members; and (4) the members are not, within the first 30 days of membership, directly solicited, offered, or sold an insurance policy if the policy is available as an association benefit.

Sec. 14. Minnesota Statutes 1990, section 60A.03, subdivision 2, is amended to read:

Subd. 2. ~~[POWERS OF COMMISSIONER.] (4) [ENFORCEMENT.]~~ The commissioner shall have and exercise the power to enforce all the laws of this state relating to insurance, and shall enforce all the provisions of the laws of this state relating to insurance-

~~(2) [DEPARTMENT OF COMMERCE.] The commissioner shall have and possess all the rights and powers and perform all the duties heretofore vested by law in the commissioner of commerce, except that applications for registrations of securities and brokers' licenses under sections 80A.01 to 80A.31, and all matters pertaining to such registrations and licenses, application for the organization and establishment of new financial institutions under sections 46.041, 46.043, and 46.044, applications by insuring companies for licenses to carry on business within the state, and all matters pertaining to such licenses, and applications for the consolidation of insuring companies transacting business within the state, shall be determined by the commissioner in the manner provided by the laws defining the powers and duties of the commissioner of commerce, and the state securities commission, respectively, or, in the absence of any law prescribing the procedure, by such any reasonable procedure as the commission, as defined in chapter 45, may prescribe commissioner prescribes.~~

Sec. 15. Minnesota Statutes 1990, section 60A.07, subdivision 1, is amended to read:

Subdivision 1. [INCORPORATION.] Except when the manner of organization is specifically otherwise provided in sections dealing with these insurers, domestic insurance corporations shall be organized under and governed by chapter 300. The articles or certificate of incorporation must meet the requirements of section 300.025, ~~except other than:~~

(1) the requirement that a majority of board members shall always be residents of this state; and

(2) the requirements of section 300.025, clause (7).

Sec. 16. Minnesota Statutes 1990, section 60A.07, subdivision 10, is amended to read:

Subd. 10. [SPECIAL PROVISIONS AS TO LIFE COMPANIES.] (1) [PREREQUISITES OF LIFE COMPANIES.] No mutual life company shall be qualified to issue any policy until applications for at least \$200,000 of insurance, upon lives of at least 200 separate residents, have been actually and in good faith made, accepted, and entered upon its books and at least one full annual premium thereunder, based upon the authorized table of mortality, received in cash or in absolutely payable and collectible notes. A duplicate receipt for each premium, conditioned for the return thereof unless the policy be issued within one year thereafter, shall be issued, and one copy delivered to the applicant and the other filed with the commissioner, together with the certificate of a solvent authorized bank in the state, of the deposit therein of such cash and notes, aggregating the amount aforesaid, specifying the maker, payee, date, maturity, and amount of each. Such cash and notes shall be held by it not longer than one year, and at or before the expiration thereof to be by it paid or delivered, upon the written order of the commissioner, to such company or applicants, respectively.

(2) [FOREIGN COMPANIES MAY BECOME DOMESTIC.] Any company organized under the laws of any other state or country, which might have been originally incorporated under the laws of this state, and which has been admitted to do business therein for either or both the purpose of life or accident insurance, upon complying with all the requirements of law relative to the execution, filing, recording and publishing of original certificates and payment of incorporation fees by like domestic corporations, therein designating its principal place of business at a place in this state,

may become a domestic corporation, and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

(3) [TEMPORARY CAPITAL STOCK OF MUTUAL LIFE COMPANIES.] A new mutual life insurance company which has complied with the provisions of clause (1) or an existing mutual life insurance company may establish a temporary capital of such amount not less than \$100,000, as may be approved by the commissioner. Such temporary capital shall be invested by the company in the same manner as is provided for the investment of its other funds. Out of the net surplus of the company the holders of the temporary capital stock may receive a dividend of not more than eight percent per annum, which may be cumulative. This capital stock shall not be a liability of the company ~~except that it~~ but shall be retired ~~as soon as, but not before, the surplus of the company remaining after its retirement shall be not less than the temporary capital so established~~ within a reasonable time and according to terms approved by the commissioner. At the time for the retirement of this capital stock, the holders shall be entitled to receive from the company the par value thereof and any dividends thereon due and unpaid, and thereupon the stock shall be surrendered and canceled, ~~and the right to vote thereon shall cease.~~ *In the event of the liquidation of the company, the holders of temporary capital stock shall have the same preference in the assets of the company as shareholders have in a stock insurance company.*

Temporary capital stock may be issued with or without voting rights. If issued with voting rights, the holders shall, at all meetings, be entitled to one vote for each \$10 of temporary capital stock held.

Sec. 17. Minnesota Statutes 1990, section 60A.12, subdivision 4, is amended to read:

Subd. 4. [UNEARNED PREMIUMS RESERVE.] (1) [FOR COMPANIES OTHER THAN LIFE OR TITLE.] To determine the policy liability of any company other than life or title insurance, and the amount the company shall hold as reserve, the commissioner shall take 50 percent of the aggregate premiums, on policies running one year or less from date of policy, and a pro rata rate amount on policies running more than one year from date of policy, except upon inland and marine risks, which the commissioner shall compute by charging 50 percent of the amount of premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. In case of any fire and marine company with less than \$200,000 capital admitted to transact in this state fire business only, the full amount of premiums written in its marine and inland navigation and transportation policies shall be charged as liability.

(2) [SPECIAL PROVISIONS FOR MUTUAL FIRE COMPANIES WITH A CONTINGENT LIABILITY.] In case of a mutual fire insurance company with a policyholders' contingent liability fixed by its bylaws and in its policies as provided by law, to determine the amount of this reinsurance reserve, the commissioner shall take 25 percent of the aggregate premiums running one year or less from date of policy, and 50 percent of the pro rata amount on policies running more than one year from date of policy.

(3) [CASUALTY COMPANIES WRITING LIABILITY OR WORKERS' COMPENSATION.] In case of a casualty insurance company writing insurance against loss or damage resulting from accident to or injuries suffered

by an employee or other person and for which the insured is liable, and under insurance against loss from liability on account of the death of or injury to an employee not caused by the negligence of an employer, the commissioner shall charge as a liability, in addition to the capital stock and all other outstanding indebtedness of the corporation:

~~The premium reserve on policies in force, equal to 50 percent of the gross premiums charged for covering the risks; provided, that the commissioner may charge a premium reserve equal to the unearned portions of the gross premiums charged, computed on each respective risk from the date of the issuance of the policy. Notwithstanding any other provision of this subdivision, an unearned premium reserve shall be required based only on the timing and the amount of the recorded written premium.~~

(4) [PROVISION FOR ANNUAL PAYMENT TERM POLICIES.] A policy for a term of years on which the premium is payable annually shall be considered a policy for one year.

Sec. 18. Minnesota Statutes 1991 Supplement, section 60A.13, subdivision 3a, is amended to read:

Subd. 3a. [ANNUAL AUDIT.] Every insurance company doing business in this state, including fraternal ~~beneficiary associations~~ *benefit societies*, reciprocal exchanges, service plan corporations licensed pursuant to chapter 62C, and legal service plans licensed pursuant to chapter 62G, unless exempted by the commissioner pursuant to subdivision 4a or by subdivision 7 shall have an annual audit of the financial activities of the most recently completed fiscal year performed by an independent certified public accountant as prescribed by the commissioner, and shall file the report of this audit with the commissioner not more than six months following the close of the company's fiscal year. ~~Any insurer required by this subdivision to file an annual audit which does not currently have its financial statement audited shall file its first audit with the commissioner not later than June 30, 1983. All other insurers shall file their annual audits beginning June 30, 1982.~~

Sec. 19. Minnesota Statutes 1990, section 60A.1701, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] This section does not apply to:

(a) persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A; or

(b) persons holding life and health, or property and casualty licenses who, ~~by February 28 of each year at the time of license renewal~~, certify to the commissioner in writing that they will sell only credit life, credit health, and credit property insurance, during that year and do in fact so limit their sale of insurance.

Sec. 20. Minnesota Statutes 1990, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner shall approve or disapprove professional designation examinations that are recommended for approval by the advisory task force. In order for an agent to receive full continuing education credit for a professional designation examination, the agent must pass the examination. An agent may not receive credit for classroom instruction preparing for the professional designation examination and also receive continuing education credit for passing the professional designation examination.

(c) The commissioner may not accredit a course:

(1) that is designed to prepare students for a license examination;

(2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;

(3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent;

(4) in motivation, the art of selling, psychology, or time management;

~~(5) unless the student attends classroom instruction conducted by an instructor approved by the department of commerce; or~~

~~(6) (5) which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce, except that home-study courses may be accredited by the commissioner if the student is a nonresident agent residing in a state which is not contiguous to Minnesota.~~

Sec. 21. Minnesota Statutes 1990, section 60A.201, subdivision 4, is amended to read:

Subd. 4. [LISTS OF UNAVAILABLE LINES OF INSURANCE: MAINTENANCE.] The commissioner shall maintain on a current basis a list of those lines of insurance for which coverages are believed by the commissioner to be generally unavailable from licensed insurers. The commissioner shall republish a list and make it available to all licensees ~~the list every six months at least annually.~~ Any person may request in writing that the commissioner add or remove coverage from the current list at the next publication of the list. The commissioner's determinations of coverages to be added to or removed from the list shall not be subject to the administrative procedure act but prior to making determinations the commissioner shall provide opportunity for comment from interested parties.

Sec. 22. Minnesota Statutes 1990, section 60A.203, is amended to read:

60A.203 [LICENSEES TO FILE EVIDENCE OF TRANSACTIONS FILING REQUIREMENTS.]

Each surplus lines licensee shall keep a separate account of each transaction entered into pursuant to sections 60A.195 to 60A.209. Evidence of these transactions shall be ~~filed with the commissioner~~ *documented in the form, and manner, and time designated by the commissioner or if designated by the commissioner, with an association and retained by the licensee for a minimum of five years. The forms must be readily available for review and audit by the commissioner.*

Sec. 23. Minnesota Statutes 1990, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer

when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061 in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard Nonadmitted Insurers Information Office Financial Reporting Format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 24. Minnesota Statutes 1990, section 60B.03, is amended by adding a subdivision to read:

Subd. 20. [AFFILIATE OR AFFILIATED.] An "affiliate" of, or a person "affiliated" with, a specific person is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

Sec. 25. Minnesota Statutes 1990, section 60B.15, is amended to read:

60B.15 [GROUNDS FOR REHABILITATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order directing the commissioner to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of liquidation under section 60B.20, whenever the commissioner believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer, its policyholders or to the public;

(2) That the commissioner has reasonable cause to believe that there has been theft from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, which endanger assets in an amount threatening insolvency of the insurer;

(3) That substantial and unexplained discrepancies exist between the insurer's records and the most recent annual report or other official company

reports:

(4) That the insurer, after written demand by the commissioner, has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee, or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business such as is the basis for action under section 60A.051:

(5) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy such as is the basis for action under section 60A.051:

(6) That the insurer, after written demand by the commissioner, has failed within a reasonable period of time to terminate the employment and status and all influences on management of any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person if the person has refused to submit to lawful examination under oath by the commissioner concerning the affairs of the insurer, whether in this state or elsewhere:

(7) That after lawful written demand by the commissioner the insurer has failed to submit promptly any of its own property, books, accounts, documents, or other records, or those of any subsidiary or related company within the control of the insurer, or those of any person having executive authority in the insurer so far as they pertain to the insurer, to reasonable inspection or examination by the commissioner or an authorized representative. If the insurer is unable to submit the property, books, accounts, documents, or other records of a person having executive authority in the insurer, it shall be excused from doing so if it promptly and effectively terminates the relationship of the person to the insurer:

(8) That without first obtaining the written consent of the commissioner, or if required by law, the written consent of the attorney general, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate, or reinsure substantially its entire property or business of any other person:

(9) That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under sections 60B.01 to 60B.61, and that such appointment has been made or is imminent, and that such appointment might divest the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under sections 60B.01 to 60B.61:

(10) That within the previous year the insurer has willfully violated its charter or articles of incorporation or its bylaws or any applicable insurance law or regulation of any state, or of the federal government, or any valid order of the commissioner under section 60B.11 in any manner or as to any matter which threatens substantial injury to the insurer, its creditors, its policyholders or the public, or having become aware within the previous year of an unintentional or willful violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violations in the future:

(11) That the directors of the insurer are deadlocked in the management

of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors, its policyholders, or the public is threatened by reason thereof:

(12) That the insurer has failed to pay for 60 days after due date any obligation to this state or any political subdivision thereof or any judgment entered in this state, except that such nonpayment shall not be a ground until 60 days after any good faith effort by the insurer to contest the obligation or judgment has been terminated, whether it is before the commissioner or in the courts:

(13) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately:

(14) That two-thirds of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under sections 60B.01 to 60B.61:

(15) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements:

(16) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public:

(17) That within the previous 12 months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full:

(18) In the context of a health maintenance organization, "insurer" when used in clauses (1) to (17) means "health maintenance organization." In addition to the grounds in clauses (1) to (17), any one of the following constitutes grounds for rehabilitation of a health maintenance organization:

(a) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due:

(b) grounds exist under section 62D.042, subdivision 7:

(c) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D:

(d) in addition to grounds under clause (16), within the last year the health maintenance organization has failed, and the commissioner of health expects such failure to continue in the future, to make comprehensive medical care adequately available and accessible to its enrollees and the health maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(e) in addition to grounds under clause (16), within the last year the directors or officers of the health maintenance organization willfully violated the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting

from the violation and to prevent the same violation in the future:

(19) An affiliate of the insurer has been placed in conservatorship, rehabilitation, liquidation, or other court supervision such that the insurer's financial condition may be jeopardized.

Sec. 26. Minnesota Statutes 1990, section 60B.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL DEPUTY COMMISSIONER.] The commissioner as rehabilitator shall ~~make every reasonable effort to employ an active or retired senior executive from a successful insurer to serve as~~ *employ a special deputy commissioner to rehabilitate the insurer.* The special deputy shall have all of the powers of the rehabilitator granted under this section. ~~To obtain a suitable special deputy, the commissioner may consult with and obtain the assistance and advice of executives of insurers doing business in this state.~~ Subject to court approval, the commissioner shall make ~~such~~ arrangements for compensation as are necessary to obtain a special deputy of proven ability. The special deputy shall serve at the pleasure of the commissioner.

Sec. 27. Minnesota Statutes 1991 Supplement, section 60D.15, subdivision 4, is amended to read:

Subd. 4. [CONTROL.] The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with ~~or~~, corporate office held by, *or court appointment of*, the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 28. Minnesota Statutes 1991 Supplement, section 60D.17, subdivision 4, is amended to read:

Subd. 4. [APPROVAL BY COMMISSIONER; HEARINGS.] (a) The commissioner shall approve any merger or other acquisition of control referred to in subdivision 1 unless, after a public hearing, the commissioner finds that:

(1) After the change of control, the domestic insurer referred to in subdivision 1 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed, *unless the domestic insurer is in rehabilitation or other court-ordered supervision and the acquiring party commits to a plan that would enable the domestic insurer to satisfy the requirements for the issuance of a license within a reasonable amount of time;*

(2) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create

a monopoly therein in applying the competitive standard in this subdivision:

(i) the informational requirements of section 60D.18, subdivision 3, paragraph (b), and the standards of section 60D.18, subdivision 4, paragraph (c), shall apply;

(ii) the merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by section 60D.18, subdivision 4, paragraph (c), exist; and

(iii) the commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(3) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(4) The plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(6) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

(b) The public hearing referred to in paragraph (a) must be held 30 days after the statement required by subdivision 1 is filed, and at least 20 days notice of it shall be given by the commissioner to the person filing the statement. Not less than seven days notice of the public hearing shall be given by the person filing the statement to the insurer and to other persons designated by the commissioner. The commissioner shall make a determination within 30 days after the conclusion of the hearing. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interest may be affected by it may present evidence, examine and cross-examine witnesses, and offer oral and written arguments and may conduct discovery proceedings in the same manner as is presently allowed in the district courts of this state. All discovery proceedings must be concluded not later than three days before the start of the public hearing.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing the proposed acquisition of control.

Sec. 29. Minnesota Statutes 1990, section 62A.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a

master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association ~~having a constitution or bylaws and formed in good faith for purposes other than that of obtaining insurance under the provisions of this chapter as defined by section 60A.02, subdivision 1a,~~ where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

Sec. 30. Minnesota Statutes 1990, section 62A.21, subdivision 2b, is amended to read:

Subd. 2b. [CONVERSION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or sections 62A.146 and 62A.20, conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. ~~A policy providing reduced benefits at a reduced premium rate may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision.~~ The individual policy shall be renewable at the option of the ~~former spouse insured~~ as long as the ~~former spouse insured~~ is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the ~~former spouse's insured's~~ original age at entry and shall apply equally to all similar policies issued by the insurer.

A policy providing reduced benefits at a reduced premium rate may be accepted by the insured in lieu of the optional coverage otherwise required by this subdivision.

Sec. 31. Minnesota Statutes 1990, section 62A.30, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and ~~group~~ subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Sec. 32. Minnesota Statutes 1990, section 62A.48, subdivision 8, is amended to read:

Subd. 8. [CANCELLATION FOR NONPAYMENT OF PREMIUM.] No individual long-term care policy shall be canceled for nonpayment of premium unless the insurer, at least 30 days before the effective date of the cancellation, has given notice to the insured and to those persons designated pursuant to section 62A.48, subdivision 1, at the address provided by the insured for purposes of receiving notice of cancellation. *This subdivision*

does not apply to a long-term care policy upon which premiums are paid at a monthly interval.

Sec. 33. Minnesota Statutes 1990, section 62A.54, is amended to read:

62A.54 [PROHIBITED PRACTICES.]

Unless otherwise provided for in ~~Laws 1986, chapter 397, sections 2 to 8 62A.46 to 62A.56,~~ the solicitation or sale of long-term care policies is subject to the requirements and penalties applicable to the sale of Medicare supplement insurance policies as set forth in sections 62A.31 to 62A.44.

It is misconduct for any agent or company to make any misstatements concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any agent or company providing information on the medical assistance program shall also provide information about how to contact the county human services department or the state department of human services.

Sec. 34. Minnesota Statutes 1990, section 62E.02, subdivision 21, is amended to read:

Subd. 21. "Self-insurer" means an employer or an employee welfare benefit fund or plan which directly or indirectly provides a plan of health coverage to its employees and administers the plan of health coverage itself or through an insurer, trust or agent except to the extent of accident and health insurance premium, subscriber contract charges or health maintenance organization contract charges. "Self-insurer" includes joint self-insurance plans regulated under chapter 62H. "Self-insurer" does not include an employer engaged in the business of providing health care services to the public which provides health care services directly to its employees at no charge to them.

Sec. 35. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to~~ regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or~~ health maintenance organizations ~~and regulated under chapter 62D,~~ nonprofit health service plan corporations ~~and incorporated~~ regulated under chapter 62C ~~or~~ fraternal benefit societies ~~operating~~ societies regulated under chapter 64B, and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 36. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan

based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 37. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

Subd. 7. [TERMINATIONS OF CONVERSION POLICIES.] (a) A Minnesota resident who is covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), at any time for any reason during the term of coverage.

(b) A Minnesota resident who was covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), if that person applies for coverage within 90 days after termination of the conversion policy or contract coverage regardless of: (1) the reasons for the termination; or (2) the party terminating coverage.

(c) Coverage under this subdivision is effective upon termination of prior coverage if the enrollee has submitted a completed application and paid the required premium or fee.

Sec. 38. Minnesota Statutes 1990, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer and health maintenance organization which rejects or applies underwriting restrictions to an applicant for ~~accident~~ and a plan of health ~~insurance~~ coverage shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant in a manner consistent with the requirements in section 72A.499; (2) notify the applicant of the existence of the state plan, the requirements for being

accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer at no charge.

Sec. 39. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 5. [INITIAL NOTIFICATION.] Every insurer and health maintenance organization before issuing a conversion policy or contract of health insurance shall:

(1) notify the applicant of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 40. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 6. [INITIAL NOTIFICATION.] Every insurer and health maintenance organization which provides health coverage to an insured through a conversion plan shall annually:

(1) notify the insured of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 41. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 7. [CONVERSION RATES.] For Medicare supplement conversion policies issued prior to the effective date of this section, the requirements of subdivisions 5 and 6 apply only when the conversion rates offered to the applicant by the insurer or health maintenance organization exceed the association rates.

Sec. 42. Minnesota Statutes 1990, section 62E.16, is amended to read:

62E.16 [POLICY CONVERSION PRIVILEGES RIGHTS.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be

offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group *or of the employer member of the group* and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group *or of the employer member of the group* shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 43. Minnesota Statutes 1990, section 62H.01, is amended to read:
62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of ~~250~~ 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 44. [62I.121] [BENEFITS FOR EMPLOYEES.]

At the option of the board, employees may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service, and an insurance plan administered by the commissioner of employee relations under chapter 43A.

Sec. 45. Minnesota Statutes 1990, section 65B.133, subdivision 4, is amended to read:

Subd. 4. [NOTIFICATION OF CHANGE.] No insurer may change its surcharge plan unless a surcharge disclosure statement is mailed or delivered

to the named insured before the change is made. A surcharge disclosure statement disclosing a change applicable on the renewal of a policy, may be mailed with an offer to renew the policy. ~~No Surcharges cannot be applied to accidents or traffic violations that occurred prior to a change in a surcharge plan may be applied retroactively except to the extent provided under the prior plan.~~

Sec. 46. Minnesota Statutes 1990, section 72A.20, subdivision 23, is amended to read:

Subd. 23. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state shall:

(1) use the employment status of the applicant as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

(b) No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason; or

(3) make any discrimination in offering or establishing rates, premiums, dividends, or benefits of any kind, or by way of rebate, for the same reason.

(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage.

Sec. 47. Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR CLAIM DENIAL.] The following acts by an insurer, adjuster, or self-insured, or self-insurance administrator constitute unfair settlement practices:

(1) denying a claim or any element of a claim on the grounds of a specific policy provision, condition, or exclusion, without informing the insured of the policy provision, condition, or exclusion on which the denial is based;

(2) denying a claim without having made a reasonable investigation of the claim;

(3) denying a liability claim because the insured has requested that the claim be denied;

(4) denying a liability claim because the insured has failed or refused to report the claim, unless an independent evaluation of available information indicates there is no liability;

(5) denying a claim without including the following information:

(i) the basis for the denial;

(ii) the name, address, and telephone number of the insurer's claim service office or the claim representative of the insurer to whom the insured or claimant may take any questions or complaints about the denial; and

(iii) the claim number and the policy number of the insured;

(6) denying a claim because the insured or claimant failed to exhibit the damaged property unless:

(i) the insurer, within a reasonable time period, made a written demand upon the insured or claimant to exhibit the property; and

(ii) the demand was reasonable under the circumstances in which it was made;

(7) denying a claim by an insured or claimant based on the evaluation of a chemical dependency claim reviewer selected by the insurer unless the reviewer meets the qualifications specified under subdivision 8a. An insurer that selects chemical dependency reviewers to conduct claim evaluations must annually file with the commissioner of commerce a report containing the specific evaluation standards and criteria used in these evaluations. *The report must be filed at the same time its annual statement is submitted under section 60A.13.* The report must also include the number of evaluations performed on behalf of the insurer during the reporting period, the types of evaluations performed, the results, the number of appeals of denials based on these evaluations, the results of these appeals, and the number of complaints filed in a court of competent jurisdiction.

Sec. 48. Minnesota Statutes 1990, section 72B.02, is amended by adding a subdivision to read:

Subd. 14. [CROP HAIL ADJUSTER.] "Crop hail adjuster" means a person who for money, commission, or other thing of value acts as an adjuster in regard to insurance policies against crop damage by hail.

Sec. 49. Minnesota Statutes 1990, section 72B.03, subdivision 2, is amended to read:

Subd. 2. [CLASSES OF LICENSES.] (a) There shall be ~~three~~ four classes of licenses, as follows:

~~(a) (1) independent adjuster's license-;~~

~~(b) (2) public adjuster's license-;~~

~~(c) (3) public adjuster solicitor's license; and~~

(4) crop hail adjuster's license.

(b) The independent adjuster and public adjuster licenses shall be issued in at least three fields each, as follows:

~~(a) (1) fire and allied lines, inland marine lines and including all perils under homeowners policies-;~~

~~(b) (2) all lines written as casualty insurance under section 60A.06, and~~

including workers' compensation; and

(e) (3) a combination of the fields described in ~~(a) clauses (1) and (b), above (2)~~. Separate licenses shall be required for each field, but the same person may obtain licenses in more than one field. No person shall be licensed as both a public and independent adjuster. The license shall state the class for which the person is licensed and, where applicable, the field in which the person is licensed, and shall state the licensee's name and residence address, the date of issuance and the date of expiration of the license and any other information prescribed by the commissioner which is consistent with the purpose of the license.

Sec. 50. Minnesota Statutes 1990, section 72B.04, subdivision 6, is amended to read:

Subd. 6. [EXCEPTIONS.] A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and satisfactory evidence of having successfully completed all six parts of the insurance institute of America program in adjusting shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

Sec. 51. Laws 1991, chapter 233, section 111, is amended to read:

Sec. 111. [EFFECTIVE DATE.]

(a) Sections 33 and 110, paragraph (a), are effective the day following final enactment.

(b) Sections 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 77; 78; 79; 80; 81; 82; 83; and 110, paragraph (b), are effective August 1, 1991.

(c) ~~Sections 43 and Section 44~~ are is effective July for the licensing year beginning June 1, 1992.

(d) All other provisions of this article are effective July 1, 1991.

Sec. 52. [STUDY.]

The commissioner of commerce shall conduct a study of all insurance mandated by state law and report to the legislature by February 1, 1993. The report must include the following information:

- (1) identification of all mandated coverages;
- (2) the purpose of the mandate;
- (3) the availability of the insurance from admitted insurers;
- (4) the likely effect, including cost implications, of requiring that only admitted carriers may offer the coverage; and
- (5) other information the commissioner considers appropriate.

The commissioner may request an extension of the date of submission of the report from the chairs of the senate commerce committee and the house of representatives financial institutions and insurance committee.

Sec. 53. [APPLICATION.]

Section 13 does not apply to policies in force on the effective date of that section and does not preclude renewals of those policies.

Section 18 applies to reports required to be filed in 1993 and subsequent years.

Sec. 54. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the terms "fraternal beneficiary association," "association," or similar terms to "fraternal benefit society," "society," or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules in connection with those entities regulated under Minnesota Statutes, chapter 64B.

Sec. 55. [REPEALER.]

Minnesota Statutes 1990, sections 62A.01, subdivision 4; 62A.29; 65B.70; and 72A.13, subdivision 3, are repealed.

Sec. 56. [EFFECTIVE DATE.]

Section 44 is effective retroactive to the effective date of Laws 1989, chapter 260, section 25.

ARTICLE 2

SERVICE OF PROCESS

Section 1. Minnesota Statutes 1990, section 45.028, subdivision 1. is amended to read:

Subdivision 1. [REQUIREMENT.] (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 155A, 309, and 332, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters.

(b) Subdivision 2 ~~also~~ applies in all other cases under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.

(c) *Subdivision 2 applies in all cases in which service of process is allowed to be made on the commissioner of commerce.*

Sec. 2. Minnesota Statutes 1990, section 48.185, subdivision 7, is amended to read:

Subd. 7. Any bank or savings bank extending credit in compliance with the provisions of this section, which is injured competitively by violations of this section by another bank or savings bank, may institute a civil action in the district court of this state against that bank or savings bank for an injunction prohibiting any violation of this section. The court, upon proper proof that the defendant has engaged in any practice in violation of this section, may enjoin the future commission of that practice. Proof of monetary damage or loss of profits shall not be required. Costs and attorneys' fees may be allowed to the plaintiff, unless the court directs otherwise. The relief provided in this subdivision is in addition to remedies otherwise available against the same conduct under the common law or statutes of this state.

Service of process shall be as in any other civil suit, except that if a defendant in the action is a foreign corporation or a national banking association with its principal place of business in another state, service of process may also be made by personal service outside the state, or in the manner provided by section 303.13, subdivision 1, clause (3), or in such manner as the court may direct, *or in accordance with section 45.028, subdivision 2*. Process is valid if it satisfies the requirements of due process of law, whether or not defendant is doing business in Minnesota regularly or habitually.

Sec. 3. Minnesota Statutes 1990, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES.] The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process ~~is authorized by this section shall be made by delivering to and leaving with the commissioner two copies thereof for each company being served in compliance with section 45.028, subdivision 2.~~

Sec. 4. Minnesota Statutes 1990, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made ~~by delivering to and leaving~~

with the commissioner of commerce or some person in apparent charge of that office two copies thereof in compliance with section 45.028, subdivision 2, and the payment to that person of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner of commerce shall forthwith mail by certified mail one of the copies of such process to the defendant at its last known principal place of business and shall keep a record of all process so served upon the commissioner. Such service of process is sufficient provided notice of such service and a copy of the process are sent within ten days thereafter by certified mail by plaintiff or plaintiff's attorney to the defendant at its last known principal place of business and the defendant's receipt, or receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the court administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service

of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 5. Minnesota Statutes 1990, section 64B.35, subdivision 2, is amended to read:

Subd. 2. ~~[SERVICE.] Service under this section shall only be made upon the commissioner, or if absent, upon the person in charge of the commissioner's office. It shall be made in duplicate and shall constitute sufficient service upon the society. When legal process against a society is served upon the commissioner, the commissioner shall immediately forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer in compliance with section 45.028, subdivision 2. No service shall require a society to file its answer, pleading, or defense in less than 30 days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided. At the time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the commissioner a fee as prescribed in section 60A.14.~~

Sec. 6. Minnesota Statutes 1990, section 71A.02, subdivision 3, is amended to read:

Subd. 3. ~~[COMMISSIONER AS AGENT FOR SERVICE.] Concurrently with the filing of the declaration provided for by the terms of subdivision 2, the attorney shall execute and file with the commissioner an instrument in writing for the subscribers, conditioned that upon the issuance of the certificate of authority provided for in subdivision 1, service of process in compliance with section 45.028, subdivision 2, may be had upon the commissioner in all suits in this state arising out of these policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. Three copies of the process shall be served and the commissioner shall file one copy, forward one copy to the attorney, and return one copy with an admission of service.~~

Sec. 7. Minnesota Statutes 1990, section 72A.22, subdivision 5, is amended to read:

Subd. 5. ~~[SERVICE.] Statements of charges, notices, orders, and other processes of the commissioner under sections 72A.17 to 72A.32 may be served by anyone duly authorized by the commissioner, either in the manner provided by law for service of process in civil actions or by registering and mailing a copy thereof to the person affected by the statement, notice, order, or other process at the person's residence or principal office or place of business. A verified return by the person serving the statement, notice, order, or other process, setting forth the manner of such service, or the return postcard receipt for a copy of the statement, notice, order, or other process, registered and mailed as aforesaid, shall be proof of the service of the same in compliance with section 45.028, subdivision 2.~~

Sec. 8. Minnesota Statutes 1990, section 72A.37, subdivision 2, is amended to read:

Subd. 2. ~~[METHOD OF SERVICE.] Service of a statement of charges and notices under said unfair trade practice act shall be made by any deputy or employee of the department of commerce delivering to and leaving with upon the commissioner or some person in apparent charge of the office,~~

~~two copies thereof in compliance with section 45.028. Service of process issued by any court in any action, suit or proceeding to collect any penalty under said act provided, shall be made by delivering and leaving with the commissioner, or some person in apparent charge of the office, two copies thereof. The commissioner shall forthwith cause to be mailed by certified mail one of the copies of such statement of charges, notices or process to the defendant at its last known principal place of business, and shall keep a record of all statements of charges, notices and process so served. Such service of statement of charges, notices or process shall be sufficient provided they shall have been so mailed and the defendant's receipt or receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing such letter showing a compliance herewith are filed with the commissioner in the case of any statement of charges or notices, or with the court administrator of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as may be allowed in compliance with section 45.028, subdivision 2.~~

Sec. 9. Minnesota Statutes 1990, section 72A.43, subdivision 2, is amended to read:

~~Subd. 2. Service of such process shall be made by delivering and leaving with the commissioner two copies thereof and the payment to the commissioner of a \$15 filing fee. The commissioner shall forthwith mail by certified mail one of the copies of such process to such company at its last known registered office, and shall keep a record of all process so served. The company's receipt, or receipt issued by the post office with which the letter is certified, and an affidavit of compliance herewith by or on behalf of the commissioner, shall be filed with the court administrator of the court in which such action or proceeding is pending on or before the return date of such process or within such further time as the court may allow in compliance with section 45.028, subdivision 2.~~

Sec. 10. Minnesota Statutes 1990, section 80A.27, subdivision 7, is amended to read:

~~Subd. 7. Every applicant for registration under sections 80A.01 to 80A.31 and every issuer who proposes to offer a security in this state through any person acting on an agency basis in the common law sense shall file with the commissioner, in such form as the commissioner by rule prescribes, an irrevocable consent appointing the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor, executor, or administrator which arises under sections 80A.01 to 80A.31 or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. The consent need not be filed by a person who has filed a consent in connection with a previous registration or license which is then in effect. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

Sec. 11. Minnesota Statutes 1990, section 80A.27, subdivision 8, is amended to read:

Subd. 8. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 80A.01 to 80A.31 or any rule or order hereunder, and has not filed a consent to service of process under subdivision 7 and personal jurisdiction cannot otherwise be obtained in this state, that conduct shall be considered equivalent to an appointment of the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor executor or administrator which grows out of that conduct and which is brought under sections 80A.01 to 80A.31 or any rule or order hereunder, with the same force and validity as if served personally. Service ~~may under this section shall be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

Sec. 12. Minnesota Statutes 1990, section 80C.20, is amended to read:

80C.20 [SERVICE OF PROCESS.]

Every applicant for registration under sections 80C.01 to 80C.22 and every franchisor on whose behalf an application for registration is filed, except applicants and franchisors which are Minnesota corporations, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and successors in office to be the applicant's or franchisor's attorney to receive service of any lawful process in any civil action against the applicant or franchisor or a successor, executor or administrator, which arises under sections 80C.01 to 80C.22 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the applicant or franchisor or a successor, executor or administrator. Service ~~may under this section shall be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and the plaintiff's affidavit of compliance with this subsection is filed with the court at the time of the filing of the complaint in compliance with section 45.028, subdivision 2.~~

When any person, including any nonresident of this state and any foreign corporation, engages in conduct prohibited or made actionable by sections 80C.01 to 80C.22, whether or not the person has filed a consent to service of process, and personal jurisdiction over the person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to appointment of the commissioner and successors in office to be the person's agent to receive service of any lawful process in any suit against the person or a successor, executor or administrator which grows out of that conduct and which is brought under sections 80C.01 to 80C.22, with the same force

and validity as if served personally. Service ~~may under this section shall~~ be made by leaving a copy of the process in the office of the commissioner but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address on file with the commissioner and the plaintiff's affidavit of compliance with this section is filed with the court at the time of the filing of the complaint in compliance with section 45.028, subdivision 2.

Sec. 13. Minnesota Statutes 1990, section 82.31, subdivision 3, is amended to read:

Subd. 3. Service of process under this section ~~may shall~~ be made by filing a copy of the process with the commissioner or a representative, but is not effective unless:

(a) The plaintiff, who may be the commissioner in an action or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the address as shown by the records at the office of the commissioner in the case of service made on the commissioner as attorney pursuant to appointment in compliance with subdivision 1, and at the defendant's or respondent's last known address in the case of service on the commissioner as attorney pursuant to appointment by virtue of subdivision 2; and

(b) The plaintiff's affidavit of compliance with this subdivision is filed in the action or proceeding on or before the return day of the process, if any, or within such further time as the court or administrative law judge allows in compliance with section 45.028, subdivision 2.

Sec. 14. Minnesota Statutes 1990, section 82A.22, subdivision 1, is amended to read:

Subdivision 1. [CONSENT TO SERVICE.] Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or a successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or the operator's successor, executor, or administrator. Service ~~may under this section shall~~ be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless:

(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last address on file with the commissioner; and

(2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.

Sec. 15. Minnesota Statutes 1990, section 82A.22, subdivision 2, is

amended to read:

Subd. 2. [APPOINTMENT OF COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the person which grows out of that conduct and which is brought under this chapter or any rule or order thereunder, with the same force and validity as if served on the person personally. Service ~~may under this section shall be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless:~~

(1) ~~the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice; and~~

(2) ~~the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

Sec. 16, Minnesota Statutes 1991 Supplement, section 82B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE.] Service of process under this section ~~may shall be made under the provisions of~~ *in compliance with section 45.028, subdivision 2.*

Sec. 17, Minnesota Statutes 1990, section 83.39, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] Every applicant for registration under sections 83.20 to 83.42, 83.43 and 83.44 shall file with the commissioner, in a format as by rule may be prescribed, an irrevocable consent appointing the commissioner or commissioner's successor to be the applicant's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or a successor, executor, or administrator which arises under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. Service ~~may under this section shall be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 18. Minnesota Statutes 1990, section 83.39, subdivision 2, is amended to read:

Subd. 2. ~~[SERVICE ON COMMISSIONER.]~~ When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 83.20 to 83.42, 83.43 and 83.44, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the commissioner or the commissioner's successor, executor, or administrator which grows out of that conduct and which is brought under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder, with the same force and validity as if served on the person personally. ~~Service may under this section shall be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

Sec. 19. Minnesota Statutes 1990, section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer at the registered office of the corporation within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of \$35 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by the secretary to the corporation by certified mail, if the place of its main office is known to the secretary or is disclosed by the files in the office.

If the defendant is a foreign insurance corporation, the summons may be served by two copies delivered to the commissioner of commerce, who shall file one in the commissioner's office and forthwith mail the other postage prepaid to the defendant at its home office in compliance with section 45.028, subdivision 2.

ARTICLE 3

INSURANCE AGENTS

Section 1. Minnesota Statutes 1990, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT OR INSURANCE AGENCY.] An "insurance agent" or "insurance agency" is a person acting under express authority from, and an appointment pursuant to section ~~60A.17~~ 60K.02 by, an insurer and on its behalf to solicit insurance, or to appoint other agents

to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, a corporation, or other entity, including an insurance agency.

Sec. 2. [60A.052] [DENIAL, REVOCATION, SUSPENSION OF CERTIFICATE OF AUTHORITY.]

Subdivision 1. [GROUNDS.] The commissioner may by order take any or all of the following actions: (1) deny, suspend, or revoke a certificate of authority; (2) censure the insurance company; or (3) impose a civil penalty as provided for in section 45.027, subdivision 6. In order to take this action the commissioner must find that the order is in the public interest, and the insurance company:

(1) has a board of directors or principal management that is incompetent, untrustworthy, or so lacking in insurance company managerial experience as to make its operation hazardous to policyholders, its stockholders, or to the insurance buying public;

(2) is controlled directly or indirectly through ownership, management, reinsurance transactions, or other business relations by any person or persons whose business operations are or have been marked by manipulation of any assets, reinsurance, or accounts as to create a hazard to the company's policyholders, stockholders, or the insurance buying public;

(3) is in an unsound or unsafe condition;

(4) has the actual liabilities that exceed the actual funds of the company;

(5) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it was made, contained any misrepresentation or was false, misleading, or fraudulent;

(6) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including, but not limited to, assault or similar conduct;

(7) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(8) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(9) has had a certificate of authority denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state; or

(10) agents, officers, or directors refuse to submit to examination or perform any related legal obligation, or have violated or failed to comply with, any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters.

Subd. 2. [SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring the

insurance company to show cause why any or all of the following should not occur: (1) revocation or suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. [APPLICANTS.] Whenever it appears to the commissioner that an application for a certificate of authority should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the applicant shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying the application, the allegations of which may be considered to be true.

Subd. 4. [ACTIONS AGAINST LAPSED CERTIFICATE OF AUTHORITY.] If a certificate of authority lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the certificate of authority was last effective and enter a revocation or suspension order as of the last date on which the certificate of authority was in effect, or impose a civil penalty as provided for in section 45.027, subdivision 6.

Sec. 3. [60K.01] [DEFINITIONS.]

Unless the language or context clearly indicates that a different meaning is intended, the definitions in section 60A.01 are applicable to this chapter.

Sec. 4. [60K.02] [INSURANCE AGENTS; SOLICITORS LICENSE.]

Subdivision 1. [REQUIREMENT.] No person shall act or assume to act as an insurance agent in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent in the negotiation of insurance by or with an insurer, including resident agents or reciprocal or interinsurance exchanges and fraternal benefit societies, until that person obtains from the commissioner a license for that purpose. The license must specifically set forth the name of the person authorized to act as an agent and the class or classes of insurance for which that person is authorized to solicit or countersign policies. An insurance agent may qualify for a license in the following classes: (1) life and health; and (2) property and casualty.

No insurer shall appoint or reappoint a natural person, partnership, or corporation to act as an insurance agent on its behalf until that natural person, partnership, or corporation obtains a license as an insurance agent.

Subd. 2. [PARTNERSHIPS AND CORPORATIONS.] A license issued to a partnership or corporation must be solely in the name of the entity to which it is issued; provided that each partner, director, officer, stockholder, or employee of the licensed entity who is personally engaged in the solicitation or negotiation of a policy of insurance on behalf of the licensed entity shall be personally licensed as an insurance agent.

Upon request by the commissioner, each partnership and corporation licensed as an insurance agent shall provide the commissioner with a list of the names of each partner, director, officer, stockholder, and employee who is required to hold a valid insurance agent's license.

Subd. 3. [TRANSITION.] (a) Any agent who is qualified for life or accident and health as of June 1, 1981, is qualified for a life and health license under Laws 1981, chapter 307, and is appointed by an insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

(b) Any agent who is qualified for one or more lines of insurance, excluding life or accident and health and farm property liability as of June 1, 1981, is qualified for a property and casualty license under Laws 1981, chapter 307, and is appointed by any insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

Subd. 4. [CRIMINAL PENALTIES.] A person who acts or assumes to act as an insurance agent without a valid license issued by the commissioner is guilty of a gross misdemeanor.

Sec. 5. [60K.03] [LICENSE APPLICATION.]

Subdivision 1. [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Subd. 2. [RESIDENT AGENT.] The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

(a) A person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes constitutes an election of residency in this state. A license issued upon an application claiming residency in this state is void if the licensee, while holding a resident license in this state, also holds, or makes

application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state.

(b) The commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination must be held at a reasonable time and place designated by the commissioner.

(c) The examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state.

(d) The examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall not include a school sponsored by, offered by, or affiliated with an insurance company or its agents; except that this limitation does not preclude a bona fide professional association of agents, not acting on behalf of an insurer, from offering courses. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order.

(e) The applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed.

(f) An applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived.

(g) Any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. An applicant whose license is not renewed under section 60K.12 is exempt from the requirement of a written examination.

Subd. 3. [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident

of another state or country as follows:

(a) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought.

(b) The commissioner shall not issue a license to a nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in an action, suit, or proceeding instituted by or on behalf of an interested person arising out of the applicant's insurance business in this state. This designation constitutes an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon a licensee in an action or proceeding begun in a court of competent jurisdiction of this state may be made in compliance with section 45.028, subdivision 2.

(c) A nonresident license terminates automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

Subd. 4. [TERM.] All licenses issued pursuant to this section remain in force until voluntarily terminated by the licensee, not renewed as prescribed in section 60K.06, or until suspended or revoked by the commissioner. A voluntary termination occurs when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination also occurs upon the happening of the event described in subdivision 3, paragraph (c).

Every licensed agent shall notify the commissioner within 30 days of a change of name, address, or information contained in the application.

Subd. 5. [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment must be on a form prescribed by the commissioner.

Subd. 6. [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Subd. 7. [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to section 60K.04;

(2) fraternal benefit society representatives exempted pursuant to section 60K.05;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer, provided that a licensed agent must participate in the sale of the insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications for insurance;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee for it;

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; and

(7) rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125.

Sec. 6. [60K.04] [TOWNSHIP MUTUAL AGENTS.]

No agent for a township mutual shall be required to take an examination to become eligible for an agent's license in farm property perils and farm liability if it is certified by one or more township mutual companies that the agent has been acting in the capacity of an agent at least since January 1, 1971, and no new examination shall be required for eligibility for a license in farm property perils and farm liability for a licensed agent in farm windstorm and hail insurance who was licensed prior to January 1, 1971.

Sec. 7. [60K.05] [FRATERNAL BENEFIT SOCIETY REPRESENTATIVES.]

Representatives of fraternal benefit societies who solicit and negotiate insurance contracts shall be deemed to be insurance agents and subject to the licensing requirements as set forth in section 60K.03 subdivision 1; provided, that no insurance agent's license shall be required of:

(1) any officer, employee, or secretary of a fraternal benefit society or of any subordinate lodge or branch who devotes substantially all of that person's time to activities other than the solicitation or negotiation of insurance contracts and who receives no commission or other compensation directly dependent upon the number or amount of contracts solicited or negotiated; or

(2) any agent or representative of a fraternal benefit society who devotes,

or intends to devote, less than 50 percent of that person's time to the solicitation and procurement of insurance contracts for that society. Any person who in the preceding calendar year has solicited and procured life insurance in excess of \$50,000 face amount, or, in the case of any other kinds of insurance which the society may write, on the persons of more than 25 individuals, and who has received or will receive a commission or other compensation in the total amount of \$1,000 or more, shall be presumed to be devoting, or intending to devote, 50 percent of that person's time to the solicitation or procurement of insurance contracts for that society.

Sec. 8. [60K.06] [RENEWAL FEE.]

(a) Each agent licensed pursuant to section 60K.03 shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.

Sec. 9. [60K.07] [TEMPORARY LICENSES.]

Subdivision 1. [EXAMINATION.] The commissioner may grant a temporary insurance agent's license to a person who has successfully completed the examination, if any, required by the commissioner. The temporary license may be granted as of the date upon which the applicant receives written notice from the commissioner that the person has passed any required examination. A temporary license will permit the applicant to act as an insurance agent for the original appointing insurer for the class of business specified therein until the earlier of (1) receipt by the applicant of the resident license, or (2) the expiration of 90 days from the date on which the temporary license was granted.

Subd. 2. [PERMISSIVE TEMPORARY LICENSE.] The commissioner may issue a temporary license to a person to act as an insurance agent for a period not to exceed 90 days, which may be extended as determined by the commissioner, without requiring an examination if the commissioner considers a temporary license necessary for the servicing of an insurance business in the following cases:

(1) to an agent licensed as a resident agent in another state where the commissioner determines that the foreign license is substantially the equivalent of that being applied for from the state of Minnesota and where the agent has been transferred into this state with the intention of becoming a resident, working as an insurance agent, and obtaining a resident license from the state of Minnesota;

(2) to the surviving spouse or next of kin, or to the administrator or executor, or to an employee of a deceased licensed insurance agent, or to the spouse, next of kin, an employee, or legal guardian of a disabled licensed insurance agent;

(3) to the designee of a licensed insurance agent entering upon active service in the armed forces of the United States; or

(4) in any other circumstance where the commissioner considers that the public interest will best be served by the issuance of a temporary license.

Sec. 10. [60K.08] [BROKERAGE BUSINESS.]

Every insurance agent duly licensed to transact business in this state shall have the right to procure the insurance of risks, or parts of risks, in the class or classes of insurance for which the agent is licensed in other insurers duly authorized to transact business in this state, but the insurance shall only be consummated through a duly appointed resident agent of the insurer taking the risk. If the law of another state requires a nonresident agent who is a resident agent of Minnesota to pay a portion of the premium to or share commissions with a licensed resident agent of that state, then the licensed resident agent of Minnesota when consummating and countersigning for a licensed nonresident agent of that state shall receive five percent of the total premium or 25 percent of the commission, whichever is less.

Sec. 11. [60K.09] [UNFIT PERSON NOT TO BE EMPLOYED BY INSURER.]

No insurer, its officers, agents, or managers shall knowingly make application to the commissioner for appointment of a person as its agent where that person is known to the insurer, its officers, agents, or managers making the application, to be unfit or disqualified as an insurance agent, and immediately upon the discovery by the insurer, its officers, agents, or managers having supervision of the agent, of the unfitness or disqualification, the insurer, or the officers agents, or managers shall forthwith inform the commissioner in writing of their decision to terminate their appointment of this agent; nor shall any insurer retain in its employ any agent known by it to be disqualified or unfit to be licensed as an insurance agent.

Sec. 12. [60K.10] [TERM OF APPOINTMENTS.]

All appointments of agents by insurers pursuant to this section shall remain in force until terminated voluntarily by the appointing insurer or the license of the agent has for any reason been terminated during the appointment. The original appointing insurer, as well as any subsequent appointing insurer, may terminate the appointment of an agent at any time by giving written notice thereof to the commissioner and by sending a copy thereof to the last known address of the agent. The effective date of the termination shall be the date of receipt of the notice by the commissioner unless another date is specified by the insurer in the notice. Within 30 days after the insurer gives notice of termination to the commissioner, the insurer shall furnish the agent with a current statement of the agent's commission account.

Accompanying the notice of a termination given to the commissioner by the insurer shall be a statement of the specific reasons constituting the cause of termination. Any document, record, or statement relating to the agent

which is disclosed or furnished to the commissioner contemporaneously with, or subsequent to, the notice of termination shall be deemed confidential by the commissioner and a privileged communication. The document, record, or statement furnished to the commissioner shall not be admissible in whole or in part for any purpose in any action or proceeding against (1) the insurer or any of its officers, employees, or representatives submitting or providing the document, record, or statement, or (2) any person, firm, or corporation furnishing in good faith to the insurer the information upon which the reasons for termination are based.

Sec. 13. [60K.11] [DENIAL, REVOCATION, SUSPENSION, AND CENSURE OF LICENSES.]

Subdivision 1. [GROUNDS.] The commissioner may by order take any or all of the following actions:

- (1) deny, suspend, or revoke an insurance agent or agency license;*
- (2) censure the licensee; or*
- (3) impose a civil penalty as provided for in section 45.027, subdivision 6.*

In order to take this action the commissioner must find that the order is in the public interest and that the applicant, licensee, or in the case of an insurance agency, partner, director, shareholder, officer, or agent of that insurance agency:

(i) does not intend to or is not in good faith carrying on the business of an insurance agent;

(ii) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, contains any misrepresentation, or is false, misleading, or fraudulent;

(iii) has engaged in an act or practice, whether or not such act or practice involves the business of insurance, which demonstrates that the applicant or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act as an insurance agent or agency;

(iv) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including but not limited to, assault or similar conduct;

(v) has violated or failed to comply with any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters;

(vi) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the insurance business;

(vii) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(viii) has had an insurance agent or agency license denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state or jurisdiction;

(ix) has misrepresented the terms of any actual or proposed insurance contract:

(x) has engaged in any fraudulent, coercive, deceptive, or dishonest act or practice whether or not such act or practice involves the business of insurance:

(xi) has improperly withheld, misappropriated, or converted to the licensee's or applicant's own use any money belonging to a policyholder, insurer, beneficiary, or other person; or

(xii) has forged another's name to any document whether or not the document relates to an application for insurance or a policy of insurance.

Subd. 2. [LICENSEES.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring a licensee to show cause why any or all of the following should not occur: (1) the license revocation or suspension; (2) censuring of the licensee; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing on the matter, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the licensee fails to appear at a hearing after having been duly notified of it, the licensee shall be considered in default, and the proceeding may be determined against the licensee upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. [APPLICANTS.] Whenever it appears to the commissioner that a license application should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for the hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the person shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying application, the allegations of which may be considered to be true. All fees accompanying the application and appointment are considered earned and are not refundable.

Subd. 4. [ACTIONS AGAINST LAPSED LICENSE.] If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect, or impose a civil penalty as provided for in section 45.027, subdivision 6.

Subd. 5. [NOTIFICATION OF ACTION TAKEN BY OTHER STATE.] An insurance agent shall notify the commissioner within 30 days of any fine imposed on that agent by another state or of a suspension or revocation of license by the commissioner of commerce of this state or the commissioner of insurance of any other state.

Subd. 6. [CONDITIONS FOR RELICENSURE.] A revocation of a license shall prohibit the licensee from making a new application for a license for at least two years from the effective date of the revocation. Further, the commissioner shall, as a condition of reapplication, require the applicant to obtain a performance bond issued by an insurer authorized to transact business in this state in the amount of \$20,000 or a greater amount the commissioner considers appropriate for the protection of citizens of this state in the event the commissioner grants the application. The bond shall be filed with the commissioner, with the state of Minnesota as obligee, conditioned for the prompt payment to any aggrieved person entitled to payment of any amounts received by the licensee or to protect any aggrieved person from loss resulting from fraudulent, deceptive, dishonest, or other prohibited practices arising out of any transaction when the licensee was licensed or performed acts for which a license is required under this chapter. The bond shall remain operative for as long as that licensee is licensed. The bond required by this subdivision must provide coverage for all matters arising during the period of licensure.

Sec. 14. [60K.12] [TAX CLEARANCE CERTIFICATE.]

Subdivision 1. [REQUIREMENT FOR ISSUANCE OR RENEWAL OF LICENSE.] In addition to the provisions of section 60K.11, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if: (1) the commissioner of revenue issues a tax clearance certificate; and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance certificate to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(1) "Taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes; and

(2) "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

Subd. 3. [CONTESTED CASE HEARING.] In lieu of the notice and hearing requirements of section 60K.11, when a licensee or applicant is required to obtain a clearance certificate under this section, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of

administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

Subd. 4. [IDENTIFICATION REQUIRED.] The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year.

Sec. 15. [60K.13] [SURRENDER, LOSS, OR DESTRUCTION OF LICENSE.]

Subdivision 1. [NOTIFICATION.] The commissioner shall promptly notify the licensee and all appointing insurers, where applicable, of any suspension, revocation, or termination of the licensee's agent's license by the commissioner. Upon receipt of the notice of suspension or revocation of a license, the licensee shall immediately deliver it to the commissioner.

Subd. 2. [RETURN OF LICENSE.] An agent whose resident or nonresident license is terminated, as provided in section 60K.11, shall deliver the terminated license to the commissioner by personal delivery or by mail within 30 days after the date of termination.

Subd. 3. [DUPLICATE LICENSE.] The commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this section upon an affidavit of the licensee concerning the facts of the loss, theft, or destruction, and the payment of a fee of \$3 by money order or cashier's check payable to the state treasurer.

Sec. 16. [60K.14] [PROHIBITED ACTS.]

Subdivision 1. [PERSONAL SOLICITATION OF INSURANCE SALES.] (a) [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) "Agent" means a person, copartnership, or corporation required to be licensed pursuant to section 60K.02; and

(2) "Personal solicitation" means any contact by an agent, or any person acting on behalf of an agent, made for the purpose of selling or attempting to sell insurance, when either the agent or a person acting for the agent contacts the buyer by telephone or in person, except: (i) an attempted sale in which the buyer personally knows the identity of the agent, the name of the general agency, if any, which the agent represents, and the fact that the agent is an insurance agent; (ii) an attempted sale in which the prospective purchaser of insurance initiated the contact; or (iii) a personal contact which takes place at the agent's place of business.

(b) [DISCLOSURE REQUIREMENT.] Before a personal solicitation, the agent or person acting for an agent shall, at the time of initial personal contact or communication with the potential buyer, clearly and expressly disclose:

(1) the name of the person making the contact or communication;

(2) the name of the agent, general agency, or insurer that person represents; and

(3) the fact that the agent, agency, or insurer is in the business of selling insurance.

(c) [FALSE REPRESENTATION OF GOVERNMENT AFFILIATION.] No agent or person acting for an agent shall make any communication to a potential buyer that indicates or gives the impression that the agent is acting on behalf of a government agency.

Subd. 2. [FEES FOR SERVICES.] No person shall charge a fee for any services rendered in connection with the solicitation, negotiation, or servicing of any insurance contract unless:

(1) before rendering the services, a written statement is provided disclosing:

(i) the services for which fees are charged;

(ii) the amount of the fees;

(iii) that the fees are charged in addition to premiums; and

(iv) that premiums include a commission; and

(2) all fees charged are reasonable in relation to the services rendered.

Subd. 3. [COMMISSIONS OR COMPENSATION.] No commission or other compensation shall be paid or allowed by any person, firm, or corporation to any other person, firm, or corporation acting, or assuming to act, as an insurance agent without a license therefor. A duly licensed agent may pay commissions or assign or direct that commissions be paid to a partnership of which the agent is a member, employee, or agent, or to a corporation of which the agent is an officer, employee, or agent. This subdivision does not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because the person has ceased to hold a license to act as an insurance agent.

Subd. 4. [SUITABILITY OF INSURANCE.] In recommending the purchase of any life, endowment, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.

Subd. 5. [PREMIUMS.] All premiums or other money received by an agent from an insured or applicant for insurance must be forthwith deposited directly in a business checking, savings, or other similar account maintained by the agent or agency, unless the money is forwarded directly to the designated insurer.

Subd. 6. [PRIVACY OF CLIENT.] Except as otherwise provided by law, no insurance agent may disclose nor cause to be disclosed to any other person the identity of a person insured through the agent without the consent of the insured.

Sec. 17. [60K.15] [INSURER'S AGENT.]

Any person who solicits insurance is the agent of the insurer and not the agent of the insured.

Sec. 18. [60K.16] [LIABILITY FOR PLACING INSURANCE IN UNAUTHORIZED COMPANY.]

Any person, regardless of whether that person is required to be licensed as an insurance agent, who participates in any manner in the sale of any insurance policy or certificate, or any other contract providing benefits, for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, other than pursuant to sections 60A.195 to 60A.209, shall be personally liable for all premiums, whether earned or unearned, paid by the insured, and the premiums may be recovered by the insured. In addition, that person shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy, certificate, or contract or which would have been covered if the policy, certificate, or contract had been issued to the purchaser of the insurance.

Sec. 19. [60K.17] [AGENTS: VARIABLE CONTRACTS.]

Subdivision 1. [LICENSE REQUIRED.] No person shall sell or offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner.

Subd. 2. [EXCEPTIONS.] (a) Any regularly salaried officer or employee of a licensed insurer may, without license or other qualification, act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any contract.

(b) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, United States Code, title 15, section 80a-3(11).

Subd. 3. [RULES.] The commissioner may by rule waive or modify any of the requirements in this section or prescribe additional requirements considered necessary for the proper sale and solicitation of contracts on a variable basis.

Sec. 20. [60K.18] [ALTERING EXISTING POLICIES: WRITTEN BINDERS REQUIRED.]

An insurance agent having express authority to bind coverage, who orally agrees on behalf of an insurer to provide insurance coverage, or to alter an existing insurance agreement, shall execute and deliver a written memorandum or binder containing the terms of the oral agreement to the insured within three business days from the time the oral agreement is entered.

Sec. 21. Minnesota Statutes 1990, section 62A.41, subdivision 4, is amended to read:

Subd. 4. **[UNLICENSED SALES.]** Notwithstanding section ~~60A.17~~ 60K.02, subdivision 1, ~~paragraph (d)~~, a person who acts or assumes to act as an insurance agent without a valid license for the purpose of selling or attempting to sell Medicare supplement insurance, and the person who aids or abets the actor, is guilty of a felony and is subject to a civil penalty of not more than \$5,000 per violation.

Sec. 22. Minnesota Statutes 1990, section 62C.17, subdivision 5, is amended to read:

Subd. 5. A person shall not be qualified for a license if upon examination or reexamination it is determined that the person is incompetent to act as an agent or solicitor, if the person has acted in any manner which would disqualify a person to hold a license as an insurance agent or solicitor under ~~section 60A.17, subdivision 6~~ sections 60K.01 to 60K.18, or if the person fails to produce documents subpoenaed by the commissioner, or fails to appear at a hearing to which the person is a party or has been subpoenaed, if the production of documents or appearance is lawfully required.

Sec. 23. Minnesota Statutes 1990, section 62D.22, subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization, whether employees or under contract to the health maintenance organization, shall be subject to the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful rules thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations shall be exempt from the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18. Section ~~60A.17~~ 60K.03, subdivision 1a 2, ~~paragraph (b)~~ shall not apply except as to provide for an examination of an applicant in the applicant's knowledge concerning the operations and benefits of health maintenance organizations and related insurance matters.

Sec. 24. Minnesota Statutes 1990, section 64B.33, is amended to read:

64B.33 [LICENSING OF AGENTS.]

Agents of societies shall be licensed in accordance with the provisions of ~~chapter~~ chapters 60A and 60K regulating the licensing, revocation, suspension, or termination of license of resident and nonresident agents, except as otherwise provided in section ~~60A.17, subdivision 1e~~ 60K.05.

Sec. 25. Minnesota Statutes 1990, section 72A.07, is amended to read:

72A.07 [VIOLATIONS OF LAWS RELATING TO AGENTS, PENALTIES.]

Any person, firm, or corporation violating, or failing to comply with, any of the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18 and any person who acts in any manner in the negotiation or transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who, as principal or agent, violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor. Upon the filing of a complaint by the commissioner of commerce in a court of competent jurisdiction against any person violating

any provisions of this section, the county attorney of the county in which the violation occurred shall prosecute the person. Upon the conviction of any agent of any violation of the provisions of ~~section 60A.17~~ *sections 60K.01 to 60K.18*, the commissioner shall suspend the authority of the agent to transact any insurance business within the state for a period of not less than three months. Any insurer employing an agent and failing to procure an appointment, as required by ~~section 60A.17~~ *sections 60K.01 to 60K.18*, or allowing the agent to transact business for it within the state before an appointment has been procured, shall pay the commissioner, for the use of the state, a penalty of \$25 for each offense. Each sale of an insurance policy by an agent who is not appointed by an insurance company shall constitute a separate offense, but no insurer shall be required to pay more than \$300 in penalties as a result of the activities of a single unappointed agent. In the event of failure to pay a penalty within ten days after notice from the commissioner, the authority of the insurer to do business in this state shall be revoked by the commissioner until the penalty is paid. No insurer whose authority is revoked shall be readmitted until it shall have complied with all the terms and conditions imposed for admission in the first instance. Any action taken by the commissioner under this section shall be subject to review by the district court of the county in which the office of the commissioner is located.

Sec. 26. Minnesota Statutes 1990, section 72A.125, subdivision 2, is amended to read:

Subd. 2. [SALE BY AUTO RENTAL COMPANIES.] An auto rental company that offers or sells rental vehicle personal accident insurance in this state in conjunction with the rental of a vehicle shall only sell these products if the forms and rates have met the relevant requirements of section 62A.02, taking into account the possible infrequency and severity of loss that may be incurred. ~~Sections 60A.17 and 60A.1701 and 60K.01 to 60K.18~~ do not apply if the persons engaged in the sale of these products are employees of the auto rental company who do not receive commissions or other remuneration for selling the product in addition to their regular compensation. Compensation may not be determined in any part by the sale of insurance products. The auto rental company before engaging in the sale of the product must file with the commissioner the following documents:

- (1) an appointment of the commissioner as agent for service of process;
- (2) an agreement that the auto rental company assumes all responsibility for the authorized actions of all unlicensed employees who sell the insurance product on its behalf in conjunction with the rental of its vehicles;
- (3) an agreement that the auto rental company with respect to itself and its employees will be subject to this chapter regarding the marketing of the insurance products and the conduct of those persons involved in the sale of insurance products in the same manner as if it were a licensed agent.

An auto rental company failing to file the documents in clauses (1) to (3) is guilty of an individual violation as to the unlicensed sale of insurance for each sale that occurs after August 1, 1987, until they make the required filings. Each individual sale after August 1, 1987, and prior to the filing required by this section is subject to, in addition to any other penalties allowable by law, up to a \$200 per violation fine. Further, the sale of the insurance product by an auto rental company or any employee or agent of the company after August 1, 1987, without having complied with this section shall be deemed to be in acceptance of the provisions of this section.

Insurance sold pursuant to this subdivision must be limited in availability to rental vehicle customers though coverage may extend to the customer, other drivers, and passengers using or riding in the rented vehicles; and limited in duration to a period equal to and concurrent with that of the vehicle rental.

Persons purchasing rental vehicle personal accident insurance may be provided a certificate summarizing the policy provisions in lieu of a copy of the policy if a copy of the policy is available for inspection at the place of sale and a free copy of the policy may be obtained from the auto rental company's home office.

The commissioner may, after a hearing, revoke an auto rental company's right to operate under this section if the company has repeatedly violated the insurance laws of this state and the revocation is in the public interest.

Sec. 27. Minnesota Statutes 1990, section 72A.201, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) Adjuster or adjusters. "Adjuster" or "adjusters" is as defined in section 72B.02.

(2) Agent. "Agent" means insurance agents or insurance agencies licensed pursuant to ~~section 60A.17~~ sections 60K.01 to 60K.18, and representatives of these agents or agencies.

(3) Claim. "Claim" means a request or demand made with an insurer for the payment of funds or the provision of services under the terms of any policy, certificate, contract of insurance, binder, or other contracts of temporary insurance. The term does not include a claim under a health insurance policy made by a participating provider with an insurer in accordance with the participating provider's service agreement with the insurer which has been filed with the commissioner of commerce prior to its use.

(4) Claim settlement. "Claim settlement" means all activities of an insurer related directly or indirectly to the determination of the extent of liabilities due or potentially due under coverages afforded by the policy, and which result in claim payment, claim acceptance, compromise, or other disposition.

(5) Claimant. "Claimant" means any individual, corporation, association, partnership, or other legal entity asserting a claim against any individual, corporation, association, partnership, or other legal entity which is insured under an insurance policy or insurance contract of an insurer.

(6) Complaint. "Complaint" means a communication primarily expressing a grievance.

(7) Insurance policy. "Insurance policy" means any evidence of coverage issued by an insurer including all policies, contracts, certificates, riders, binders, and endorsements which provide or describe coverage. The term includes any contract issuing coverage under a self-insurance plan, group self-insurance plan, or joint self-insurance employee health plans.

(8) Insured. "Insured" means an individual, corporation, association, partnership, or other legal entity asserting a right to payment under their insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by the policy or contract. The term does not apply to a person who acquires rights under a mortgage.

(9) Insurer. "Insurer" includes any individual, corporation, association, partnership, reciprocal exchange, Lloyds, fraternal benefits society, self-insurer, surplus line insurer, self-insurance administrator, and nonprofit service plans under the jurisdiction of the department of commerce.

(10) Investigation. "Investigation" means a reasonable procedure adopted by an insurer to determine whether to accept or reject a claim.

(11) Notification of claim. "Notification of claim" means any communication to an insurer by a claimant or an insured which reasonably apprises the insurer of a claim brought under an insurance contract or policy issued by the insurer. Notification of claim to an agent of the insurer is notice to the insurer.

(12) Proof of loss. "Proof of loss" means the necessary documentation required from the insured to establish entitlement to payment under a policy.

(13) Self-insurance administrator. "Self-insurance administrator" means any vendor of risk management services or entities administering self-insurance plans, licensed pursuant to section 60A.23, subdivision 8.

(14) Self-insured or self-insurer. "Self-insured" or "self-insurer" means any entity authorized pursuant to section 65B.48, subdivision 3; chapter 62H; section 176.181, subdivision 2; Laws of Minnesota 1983, chapter 290, section 171; section 471.617; or section 471.981 and includes any entity which, for a fee, employs the services of vendors of risk management services in the administration of a self-insurance plan as defined by section 60A.23, subdivision 8, clause (2), subclauses (a) and (d).

Sec. 28. Minnesota Statutes 1990, section 270B.07, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO LICENSING AUTHORITIES.] The commissioner may disclose return information with respect to returns filed under Minnesota tax laws to licensing authorities of the state or political subdivisions of the state to the extent necessary to enforce the license clearance programs under sections ~~60A.17~~ 60K.12, 82.27, 147.091, 148.10, 150A.08, and 270.72.

Sec. 29. [REVISOR INSTRUCTION.]

(a) The revisor shall recodify Minnesota Statutes, section 60A.1701, as Minnesota Statutes, section 60K.19, and shall make the necessary cross-reference changes in Minnesota Statutes and Minnesota Rules.

(b) If a provision of Minnesota Statutes, chapter 60A, repealed by this article is also amended in the 1992 regular legislative session by other law, the revisor shall recodify the amendment to be part of the recodification, notwithstanding Minnesota Statutes, section 645.30.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; and Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d, are repealed.

ARTICLE 4
MISCELLANEOUS

Section 1. [45.0291]

Bonds issued under chapters 45 to 83, 309, 332, and sections 326.83 to 326.98, are not state bonds or contracts for purposes of sections 8.05 and 16B.06, subdivision 2.

Sec. 2. Minnesota Statutes 1991 Supplement, section 62A.152, subdivision 2, is amended to read:

Subd. 2. [MINIMUM BENEFITS.] (a) All group policies and all group subscriber contracts providing benefits for mental or nervous disorder treatments in a hospital shall also provide coverage on the same basis as coverage for other benefits for at least 80 percent of the cost of the usual and customary charges of the first ten hours of treatment incurred over a 12-month benefit period, for mental or nervous disorder consultation, diagnosis and treatment services delivered while the insured person is not a bed patient in a hospital, and at least 75 percent of the cost of the usual and customary charges for any additional hours of treatment during the same 12-month benefit period for serious or persistent mental or nervous disorders, if the services are furnished by (1) a licensed or accredited hospital, (2) a community mental health center or mental health clinic approved or licensed by the commissioner of human services or other authorized state agency, (3) a psychological practitioner licensed under the provisions of sections 148.88 to 148.98, ~~or (4) a licensed psychologist licensed under the provisions of sections 148.88 to 148.98, or (5) a psychiatrist licensed under chapter 147 mental health professional, as defined in section 245.462, subdivision 18, if licensed.~~ Prior authorization from an accident and health insurance company, or a nonprofit health service corporation, shall be required for an extension of coverage beyond ten hours of treatment. This prior authorization must be based upon the severity of the disorder, the patient's risk of deterioration without ongoing treatment and maintenance, degree of functional impairment, and a concise treatment plan. Authorization for extended treatment may be limited to a maximum of 30 visit hours during any 12-month benefit period.

(b) For purposes of this section, covered treatment for a minor includes treatment for the family if family therapy is recommended by a provider listed in paragraph (a). For purposes of determining benefits under this section, "hours of treatment" means treatment rendered on an individual or single-family basis. If treatment is rendered on a group basis, the hours of covered group treatment must be provided at a ratio of no less than two group treatment sessions to one individual treatment hour.

Sec. 3. Minnesota Statutes 1991 Supplement, section 62A.152, subdivision 3, is amended to read:

Subd. 3. [PROVIDER DISCRIMINATION PROHIBITED.] All group policies and group subscriber contracts that provide benefits for mental or nervous disorder treatments in a hospital must provide direct reimbursement for those services if performed by a ~~psychological practitioner or a licensed psychologist~~ *mental health professional, as defined in section 245.462, subdivision 18, if licensed,* to the extent that the services and treatment are within the scope of ~~psychological practitioner or licensed psychologist~~ *mental health professional* licensure.

This subdivision is intended to provide payment of benefits for mental or nervous disorder treatments performed by a ~~psychological practitioner or~~ a licensed ~~psychologist~~ *mental health professional* in a hospital and is not intended to change or add benefits for those services provided in policies or contracts to which this subdivision applies.

Sec. 4. Minnesota Statutes 1990, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE INSURANCE.] (1) The initial amount of credit life insurance shall not exceed the amount of principal repayable under the contract of indebtedness. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance shall not exceed the scheduled or actual amount of indebtedness, whichever is greater.

(2) Notwithstanding clause (1), the amount of credit life insurance written in connection with credit transactions repayable over a specified term exceeding 63 months, *or at the option of the insurer for any term*, shall not exceed: ~~(i) the actual amount of unpaid indebtedness as it exists from time to time; or (ii) where an indebtedness is repayable in substantially equal installments according to a predetermined schedule, the scheduled amount of unpaid indebtedness, less any unearned interest or finance charge. However, if the amount of credit life insurance is based on a predetermined schedule, the amount of credit life insurance shall not exceed the scheduled amount of unpaid indebtedness less any unearned interest or finance charges, plus an amount for delinquencies, extensions, or other contingencies equal to two~~ *four* monthly payments.

(3) Notwithstanding clauses (1) and (2), insurance on educational, agricultural, and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

Sec. 5. Minnesota Statutes 1990, section 332.15, subdivision 4, is amended to read:

Subd. 4. [BOND.] Every applicant shall submit to the commissioner at the time of the application for a license, a surety bond ~~to be approved by the attorney general~~ in which the applicant shall be the obligor, in a sum to be determined by the commissioner but not less than \$5,000, and in which an insurance company, which is duly authorized by the state of Minnesota to transact the business of fidelity and surety insurance, shall be a surety; provided, however, the commissioner may accept a deposit in cash, or securities such as may legally be purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond, such cash or securities to be deposited with the state treasurer. The commissioner may also require a fidelity bond in an appropriate amount covering employees of any applicant. Each branch office or additional place of business of an applicant shall be bonded as provided herein. In determining the bond amount necessary for the maintenance of any office be it surety, fidelity or both the commissioner shall consider the financial responsibility, experience, character and general fitness of the agency and its operators and owners; the volume of business handled or proposed to be handled; the location of the office and the geographical area served or proposed to be served; and such other information the commissioner may deem pertinent based upon past performance, previous examinations, annual reports and manner of business conducted in other states.

Sec. 6. Minnesota Statutes 1991 Supplement, section 332.55, is amended to read:

332.55 [BOND.]

A credit services organization must submit to the commissioner at the time of registration, a surety bond of \$10,000 ~~to be approved by the attorney general~~ and in which an insurance company, which is authorized by the state of Minnesota to transact the business of fidelity and surety insurance, is a surety. The credit services organization must be the obligor. The bond must benefit the state of Minnesota and any person who may have a cause of action against the obligor arising out of the obligor's activities as a credit services organization. The commissioner may accept a deposit in cash, or securities that may be legally purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond. The cash or securities must be deposited with the state treasurer.

Sec. 7. Minnesota Statutes 1991 Supplement, section 345.485, is amended to read:

345.485 [RECOVERY OF PROPERTY IN OTHER STATES BY OTHERS.]

The commissioner may request that the attorney general of another state or another person or entity in the other state make a demand or bring an action to recover unclaimed property in the name of the commissioner in the other state. *The commissioner may request that another person or entity make a demand or bring an action to recover unclaimed property in this state in the name of the commissioner.* This state shall pay all expenses including attorney fees incurred under this section. The commissioner may agree to pay fees to the person or entity making the demand or bringing the action based in whole or in part on a percentage of the value of any property recovered. Expenses paid under this section shall not reduce the amount to which the claimant is entitled.

Sec. 8. [EFFECTIVE DATE.]

Sections 2 and 3 are effective for policies, plans, or contracts issued or renewed on or after August 1, 1992.

ARTICLE 5

CREDIT UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 1990, section 47.016, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the following terms have the meanings given them.

(b) "Credit insurance" ~~means credit life and accident and health insurance as defined~~ *has the meaning given the term in section 62B.02.*

(c) "Officer," "director," "employee," and "shareholder" include the spouse and minor children of the officer, director, employee, or shareholder.

(d) "Interest" includes ownership through a spouse or minor children; ownership through a broker, nominee, or agent; and ownership through a corporation, partnership, association, joint venture, or proprietorship.

(e) "Financial institution" means any person who lends money and sells credit insurance to the borrower.

Sec. 2. Minnesota Statutes 1990, section 48.185, subdivision 4, is

amended to read:

Subd. 4. No charges other than those provided for in subdivision 3 shall be made directly or indirectly for any credit extended under the authority of this section, except that there may be charged to the debtor:

(a) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of using a bank credit card;

(b) charges for premiums on credit life ~~and credit accident and health insurance regulated under chapter 62B~~ if:

(1) the insurance is not required by the financial institution and this fact is clearly disclosed in writing to the debtor; and

(2) the debtor is notified in writing of the cost of the insurance and affirmatively elects, in writing, to purchase the insurance;

(c) charges for the use of an automated teller machine when cash advances are obtained pursuant to this section through the use of an automated teller machine;

(d) in the case of a financial institution referred to in subdivision 1 that does not charge an annual fee, delinquency and collection charges as follows:

(1) on each payment in arrears for a period not less than ten days, in an amount not in excess of the delinquency and collection charge permitted in section 168.71;

(2) for any monthly or other periodic payment period where the debtor has exceeded or thereby exceeds the maximum approved credit limit under the open-end loan account arrangement, in an amount not in excess of the service charge limitations in section 332.50; and

(3) for any returned check or returned automatic payment withdrawal request, in an amount not in excess of the service charge limitation in section 332.50; and

(e) to the extent not otherwise prohibited by law, charges for other goods or services offered by or through a financial institution referred to in subdivision 1 which the debtor elects to purchase, including, but not limited to, charges for check and draft copies and for the replacement of lost or stolen cards.

Sec. 3. Minnesota Statutes 1991 Supplement, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits:

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve:

(7) to borrow money as hereinafter indicated:

(8) to adopt and use a common seal and alter the same at pleasure:

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union:

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor:

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise:

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union:

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union:

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit ~~life and accident and health~~ insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118 or section 9.031;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of

principal and interest, taxes and insurance premiums and other charges or escrows, if any:

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure:

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans:

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans:

(vi) provide for loan status reports:

(vii) state the terms and conditions under which the agreement may be terminated or modified: and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation:

(ii) allows the seller to repurchase at its discretion: or

(iii) allows substitution of one loan for another:

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit: provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner:

(23) to designate the par value of the shares of the credit union by board resolution:

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used:

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union:

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets: and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 4. Minnesota Statutes 1990, section 56.125, subdivision 3, is amended to read:

Subd. 3. [CHARGES.] In addition to the charges authorized in subdivision 1, a licensee may contract for and receive in connection with an

open-end loan agreement the additional charges, fees, costs, and expenses with respect to the line of credit limit permitted by sections 56.131, subdivisions 1, paragraph (f), clauses (4) and (5), 2, 5, and 6; and 56.155 with respect to other loans, with the following variations:

(1) If credit ~~life or disability~~ insurance is provided and if the insured dies or becomes disabled when there is an outstanding open-end loan indebtedness, the amount of the insurance may not exceed the total balance of the loan due on the date of the borrower's death or on the date of the last billing statement in the case of credit life *or credit unemployment* insurance, or all minimum payments which become due on the loan during the covered period of disability in the case of credit disability insurance. The additional charge for credit ~~life~~ insurance ~~or credit disability insurance~~ must be calculated in each billing cycle by applying the current monthly premium rate for the insurance to the unpaid balances in the borrower's account.

(2) The amount, terms, and conditions of any credit insurance against loss or damage to property must be reasonable in relation to the character and value of the property insured.

Sec. 5. Minnesota Statutes 1990, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. The sale of credit ~~life and credit accident and health~~ insurance is subject to the provisions of chapter 62B, except that the term of the insurance may exceed 60 months if the term of the loan exceeds 60 months. Life, accident, and health insurance, or any of them, may be written upon or in connection with any loan but must not be required as additional security for the indebtedness. If the debtor chooses to procure credit ~~life~~ insurance ~~or credit accident and health~~ insurance as security for the indebtedness, the debtor shall have the option of furnishing this security through existing policies of insurance that the debtor owns or controls, or of furnishing the coverage through any insurer authorized to transact business in this state. A statement in substantially the following form must be made orally and provided in writing in bold face type of a minimum size of 12 points to the borrower before the transaction is completed for each credit ~~life and accident and health~~ insurance coverage sold:

**CREDIT ~~LIFE~~ INSURANCE AND CREDIT ~~DISABILITY~~
INSURANCE ~~ARE~~ /S NOT REQUIRED TO OBTAIN CREDIT.
YOU MAY BUY ANY INSURANCE FROM ANYONE YOU
CHOOSE OR YOU MAY USE EXISTING INSURANCE.**

The licensee shall disclose whether or not the benefits commence as of the first day of disability and shall further disclose the number of days that an insured obligor must be disabled, as defined in the policy, before benefits, whether retroactive or nonretroactive, commence. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health benefits *or credit unemployment benefits* may be procured by or through a licensee upon more than one of the obligors. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance may be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly. The premium or identifiable charge for the insurance must not exceed that filed by the

insurer with the department of commerce. The charge, computed at the time the loan is made for a period not to exceed the full term of the loan contract on an amount not to exceed the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 must disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out in this section nor prevent any obligor from obtaining this insurance coverage from other sources. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from this insurance or the sale or provision thereof is not an additional or further charge in connection with the loan; nor are any of the provisions pertaining to insurance contained in this section prohibited by any other provision of this chapter.

Sec. 6. Minnesota Statutes 1990, section 60A.17, subdivision 1a, is amended to read:

Subd. 1a. [LICENSE APPLICATION.] (a) [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) at the time the agent becomes licensed. The application and appointment shall be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

(b) [RESIDENT AGENT.] The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

(1) a person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes, shall constitute an election of residency in this state. Any license issued upon an application claiming residency in this state shall be void if the licensee, while holding a resident license in this state, also holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state;

(2) the commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an

insurance agent. The examination shall be held at a reasonable time and place designated by the commissioner:

(3) the examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance, policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state:

(4) the examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall not include a school sponsored by, offered by, or affiliated with an insurance company or its agents; except that this limitation does not preclude a bona fide professional association of agents, not acting on behalf of an insurer, from offering courses. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order:

(5) the applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed:

(6) an applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived; and

(7) any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. An applicant whose license is not renewed under subdivision 20 is exempt from the requirement of a written examination.

(c) [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:

(1) A person may qualify for a license under this section as a nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought:

(2) The commissioner shall not issue a license to any nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true

and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of any interested person arising out of the applicant's insurance business in this state. This designation shall constitute an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon any licensee in any action or proceeding commenced in any court of competent jurisdiction of this state may be made by serving the commissioner with appropriate copies of the process along with payment of the fee pursuant to section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner shall forward a copy of the process by registered or certified mail to the licensee at the last known address of record or principal place of business of the licensee; and

(3) A nonresident license shall terminate automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

(d) [DENIAL.] (1) If the commissioner finds that an applicant for a resident or nonresident license has not fully met the requirements for licensing, the commissioner shall refuse to issue the license and shall promptly give written notice to both the applicant and the appointing insurer of the denial, stating the grounds for the denial. All fees which accompanied the application and appointment shall be deemed earned and shall not be refundable.

(2) The commissioner may also deny issuance of a license for any cause that would subject the license of a licensee to suspension or revocation. If a license is denied pursuant to this clause, the provisions of subdivision 6c, paragraph (c), apply.

(3) The applicant may make a written demand upon the commissioner for a hearing within 30 days of the denial of a license to determine whether the reasons stated for the denial were lawful. The hearing shall be held pursuant to chapter 14.

(e) [TERM.] All licenses issued pursuant to this section shall remain in force until voluntarily terminated by the licensee, not renewed as prescribed in subdivision 1d, or until suspended or revoked by the commissioner. A voluntary termination shall occur when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination shall also occur upon the happening of the event described in paragraph (c), clause (3).

Every licensed agent shall notify the commissioner within 30 days of any change of name, address, or information contained in the application.

(f) [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided, that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment shall be on a form prescribed by the commissioner.

(g) [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this clause retains licensed status until an amended license is received.

(h) [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to subdivision 1b;

(2) fraternal beneficiary association representatives exempted pursuant to subdivision 1c;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer; provided that a licensed agent must participate in the sale of any such insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided, that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications therefor;

(5) employees of a creditor who enroll debtors for ~~life or accident and health~~ *credit insurance subject to chapter 62B*; provided the employees receive no commission or fee therefor;

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; and

(7) rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125.

Sec. 7. Minnesota Statutes 1990, section 62B.02, is amended by adding a subdivision to read:

Subd. 1a. [CREDIT INSURANCE.] "Credit insurance" means insurance providing life, accident, health, or unemployment coverage on a debtor to provide indemnity for payments becoming due on a specific loan or other credit transaction if the debtor dies or while the debtor is disabled or unemployed as defined in the policy.

Sec. 8. Minnesota Statutes 1990, section 62B.03, is amended to read:

62B.03 [FORMS OF CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE.]

Credit life insurance and credit accident and health insurance shall be issued only in the following forms:

(1) Individual policies of life insurance issued to debtors on the term plan:

(2) Individual policies of accident and health insurance issued to debtors on a term plan or disability benefit provisions in individual policies of credit life insurance:

(3) *Individual policies of unemployment insurance issued to debtors on a term plan or disability benefit provision in individual policies of credit life insurance:*

(4) Group policies of life insurance issued to creditors providing insurance upon the lives of debtors on the term plan:

~~(4)~~ (5) Group policies of accident and health insurance issued to creditors on a term plan insuring debtors or disability benefit provisions in group credit life insurance policies to provide such coverage: *or*

(6) *Group policies of unemployment insurance issued to creditors on a term plan insuring debtors or disability benefit provisions in group credit life insurance policies to provide this coverage.*

Sec. 9. Minnesota Statutes 1990, section 62B.04, subdivision 1, is amended to read:

Subdivision 1. [CREDIT LIFE AND CREDIT UNEMPLOYMENT INSURANCE.] (1) The initial amount of credit life and credit unemployment insurance shall not exceed the amount of principal repayable under the contract of indebtedness. Thereafter, if the indebtedness is repayable in substantially equal installments according to a predetermined schedule, the amount of insurance shall not exceed the scheduled or actual amount of indebtedness, whichever is greater.

(2) Notwithstanding clause (1), the amount of credit life and credit unemployment insurance written in connection with credit transactions repayable over a specified term exceeding 63 months shall not exceed: (i) the actual amount of unpaid indebtedness as it exists from time to time; or (ii) where an indebtedness is repayable in substantially equal installments according to a predetermined schedule, the scheduled amount of unpaid indebtedness, less any unearned interest or finance charges, plus an amount equal to two monthly payments.

(3) Notwithstanding clauses (1) and (2), insurance on educational, agricultural, and horticultural credit transaction commitments may be written on a nondecreasing or level term plan for the amount of the loan commitment.

Sec. 10. Minnesota Statutes 1990, section 72A.20, subdivision 27, is amended to read:

Subd. 27. [SOLICITATIONS AND SALES OF INSURANCE PRODUCTS TO BORROWERS.] (a) A loan officer, a loan representative, or other person involved in taking or processing a loan may not solicit an insurance product, except for credit life and disability insurance or mortgage life, mortgage accidental death, or mortgage disability, and except for life insurance when offered in lieu of credit life insurance, from the completion of the initial loan application, as defined in the federal Equal Credit Opportunity Act, United States Code, title 15, sections 1691 to 1691f, and any regulations adopted under those sections, until after the closing of the loan

transaction.

(b) This subdivision applies only to loan transactions covered by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

(c) This subdivision does not apply to sales of title insurance, homeowner's insurance, a package homeowner's-automobile insurance product, automobile insurance, or a similar insurance product, required to perfect title to, or protect, property for which a security interest will be taken if the product is required as a condition of the loan.

(d) Nothing in this subdivision prohibits the solicitation or sale of any insurance product by means of mass communication.

Sec. 11. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the term "credit life insurance," "credit disability insurance," "credit accident and health insurance," or similar terms to "credit insurance" wherever the terms appear in Minnesota Statutes, sections 62B.01, and 62B.05 to 62B.14."

Delete the title and insert:

"A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; prohibiting unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; requiring coverage for mental or nervous disorders treatment provided by licensed mental health professionals; regulating credit life insurance; authorizing credit unemployment insurance; providing for the recovery of unclaimed property; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions: 45.028, subdivision 1; 47.016, subdivision 1; 48.185, subdivisions 4 and 7; 56.125, subdivision 3; 56.155, subdivision 1; 59A.08, subdivisions 1 and 4; 59A.11, subdivision 4; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivisions 1 and 10; 60A.12, subdivision 4; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 62A.10, subdivision 1; 62A.21, subdivision 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.48, subdivision 8; 62A.54; 62B.02, by adding a subdivision; 62B.03; 62B.04, subdivision 1; 62C.17, subdivision 5; 62D.22, subdivision 8; 62E.02, subdivisions 21 and 23; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivision 4; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivisions 23 and 27; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07,

subdivision 1: 332.15, subdivision 4: and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 52.04, subdivision 1; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62A.152, subdivisions 2 and 3; 72A.201, subdivision 8; 82B.15, subdivision 3; 332.55; and 345.485; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 45; 60A; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 62A.01, subdivision 4; 62A.29; 65B.70; and 72A.13, subdivision 3; and Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 1836 and 2212 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1903 be taken from the table. The motion prevailed.

H.F. No. 1903: A bill for an act relating to public administration: authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

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. 1903 and that the rules of the Senate be so far suspended as to give H.F. No. 1903 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1903 was read the second time.

Mr. Merriam moved to amend H.F. No. 1903 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 1903, and insert the language after the enacting clause, and the title, of S.F. No. 2780, as introduced.

The motion prevailed. So the amendment was adopted.

Mrs. Benson, J.E. moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 5, delete line 41

Page 5, line 42, delete “(c)” and insert “(b)”

Page 5, line 43, delete “(d)” and delete “this” and insert “clauses (a)

and (b)''

Page 5, line 44, delete ''subdivision''

Page 5, after line 46, insert:

''(c) St. Cloud State University 290,000

This appropriation is for schematic plans to construct a new library.''

Page 10, line 13, delete ''6,000,000'' and insert ''5,940,000''

Correct the subdivision and section totals and the summaries by fund accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 1903. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Benson, J.E. amendment.

The roll was called, and there were yeas 23 and nays 41, 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	Terwilliger
Bernhagen	Frederickson, D.R.	Knaak	Neuville	
Bertram	Gustafson	Laidig	Olson	

Those who voted in the negative were:

Adkins	Flynn	Lessard	Pappas	Spear
Beckman	Frank	Luther	Piper	Stumpf
Berg	Frederickson, D.J.	Marty	Pogemiller	Traub
Berglin	Hottinger	Merriam	Price	Vickerman
Chmielewski	Johnson, D.J.	Metzen	Ranum	Waldorf
Cohen	Johnson, J.B.	Moe, R.D.	Reichgott	
DeCramer	Kelly	Mondale	Sams	
Dicklich	Kroening	Morse	Samuelson	
Finn	Langseth	Novak	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Hottinger moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 14, line 10, delete ''Le Seuer'' and insert ''Le Sueur''

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 9, line 3, delete ''6,000,000'' and insert ''2,000,000''

Page 9, delete lines 4 to 7 and insert:

''To reconstruct the mental health unit at Anoka regional treatment center.''

Correct the section total accordingly

Page 9, after line 34, insert:

“Sec. 10. VETERANS HOMES BOARD 13,300,000

To construct a 240-bed veterans nursing home at Moorhead.”

Pages 10 and 11, delete section 11

Renumber the sections in sequence and correct the internal references

Correct the appropriation summary and the bond sale authorization accordingly

Mr. Knaak moved to amend the Moe, R.D. amendment to H.F. No. 1903 as follows:

Page 1, line 11, delete “13,300,000” and insert “19,300,000”

Page 1, after line 13, insert:

“Page 10, delete lines 13 to 16

Renumber the subdivisions in sequence

Correct the subdivision and section totals and the summaries by fund accordingly”

The question was taken on the adoption of the Knaak amendment to the Moe, R.D. amendment.

The roll was called, and there were yeas 10 and nays 54, as follows:

Those who voted in the affirmative were:

Belanger	Benson, J.E.	Johnston	Mehrkens	Pariseau
Benson, D.D.	Brataas	Knaak	Neuville	Terwilliger

Those who voted in the negative were:

Adkins	Finn	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	Flynn	Kelly	Mondale	Riveness
Berg	Frank	Kroening	Morse	Sams
Berglin	Frederickson, D.J.	Laidig	Novak	Samuelson
Bertram	Frederickson, D.R.	Langseth	Olson	Solon
Chmielewski	Gustafson	Larson	Pappas	Spear
Cohen	Halberg	Lessard	Piper	Stumpf
Dahl	Hottinger	Luther	Pogemiller	Traub
Davis	Hughes	McGowan	Price	Vickerman
Day	Johnson, D.E.	Merriam	Ranum	Waldorf
DeCramer	Johnson, D.J.	Metzen	Reichgott	

The motion did not prevail. So the amendment to the amendment was not adopted.

The question recurred on the adoption of the Moe, R.D. amendment.

The roll was called, and there were yeas 33 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Flynn	Knaak	Morse	Riveness
Berglin	Frederickson, D.J.	Laidig	Novak	Spear
Cohen	Halberg	Langseth	Olson	Stumpf
Dahl	Hottinger	Luther	Piper	Traub
Day	Hughes	Metzen	Price	Vickerman
DeCramer	Johnson, J.B.	Moe, R.D.	Ranum	
Finn	Johnston	Mondale	Reichgott	

Those who voted in the negative were:

Adkins	Brataas	Johnson, D.E.	Mehrkens	Sams
Belanger	Chmielewski	Johnson, D.J.	Merriam	Samuelson
Benson, D.D.	Davis	Kelly	Neuville	Solon
Benson, J.E.	Dicklich	Kroening	Pappas	Terwilliger
Berg	Frank	Larson	Pariseau	Waldorf
Bernhagen	Frederickson, D.R.	Lessard	Pogemiller	
Bertram	Gustafson	McGowan	Renneke	

The motion did not prevail. So the amendment was not adopted.

Mr. Johnson, D.E. moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 10, line 13, delete "6,000,000" and insert "4,310,000"

Page 12, line 3, delete "1,000,000" and insert "2,690,000"

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 24 and nays 38, as follows:

Those who voted in the affirmative were:

Belanger	Brataas	Gustafson	Larson	Pariseau
Benson, D.D.	Davis	Halberg	McGowan	Renneke
Benson, J.E.	Day	Johnson, D.E.	Mehrkens	Sams
Bernhagen	Finn	Knaak	Neuville	Terwilliger
Bertram	Frederickson, D.R.	Laidig	Olson	

Those who voted in the negative were:

Adkins	Frederickson, D.J.	Langseth	Morse	Samuelson
Beckman	Hottinger	Lessard	Pappas	Spear
Berg	Hughes	Luther	Piper	Stumpf
Cohen	Johnson, D.J.	Marty	Pogemiller	Traub
Dahl	Johnson, J.B.	Merriam	Price	Vickerman
DeCramer	Johnston	Metzen	Ranum	Waldorf
Flynn	Kelly	Moe, R.D.	Reichgott	
Frank	Kroening	Mondale	Riveness	

The motion did not prevail. So the amendment was not adopted.

Mr. Finn moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 3, delete lines 56 to 59

Page 4, delete lines 1 and 2

Correct the subdivision and section totals and the summaries by fund accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 10, line 13, delete "6,000,000" and insert "5,500,000"

Page 12, line 20, delete "1,250,000" and insert "1,750,000"

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 31 and nays 36, as follows:

Those who voted in the affirmative were:

Beckman	Brataas	Hottinger	McGowan	Sams
Belanger	Davis	Johnson, D.E.	Mehrkens	Terwilliger
Benson, D.D.	Day	Johnston	Neuville	Vickerman
Benson, J.E.	Frank	Knaak	Novak	
Berg	Frederickson, D.R.	Laidig	Olson	
Bernhagen	Gustafson	Larson	Pariseau	
Bertram	Halberg	Lessard	Renneke	

Those who voted in the negative were:

Adkins	Flynn	Luther	Piper	Spear
Berglin	Frederickson, D.J.	Marty	Pogemiller	Stumpf
Chmielewski	Hughes	Merriam	Price	Traub
Cohen	Johnson, D.J.	Metzen	Ranum	Waldorf
Dahl	Johnson, J.B.	Moe, R.D.	Reichgott	
DeCramer	Kelly	Mondale	Riveness	
Dicklich	Kroening	Morse	Samuelson	
Finn	Langseth	Pappas	Solon	

The motion did not prevail. So the amendment was not adopted.

Mr. Mehrkens moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Page 9, after line 26, insert:

“Subd. 5. Minnesota correctional Facility - Red Wing

To construct and remodel space at the Minnesota Correctional Facility-Red Wing, to provide a secure detention unit for the confinement of adjudicated juvenile delinquents who present a danger to the public safety.

3,750,000”

Page 10, line 13, delete “6,000,000” and insert “2,250,000”

Correct the subdivision and section totals and the summaries by fund accordingly

The motion did not prevail. So the amendment was not adopted.

Mr. Waldorf moved to amend H.F. No. 1903, as amended by the Senate March 30, 1992, as follows:

(The text of the amended House File is identical to S.F. No. 2780.)

Pages 6 and 7, delete subdivision 2

Re-number the subdivisions in sequence

Correct the subdivision and section totals and the summaries by fund accordingly

Correct the appropriation summary and the bond sale authorization accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 1903 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 1, 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	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Finn	Kelly	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	Stumpf
Brataas	Halberg	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Dahl	Hughes	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.E.	Mehrkens	Price	Waldorf

Mr. Knaak voted in the negative.

So the bill, as amended, was passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 2780, on General Orders, be stricken and laid on the table. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Kelly and Cohen introduced—

S.F. No. 2782: A bill for an act relating to taxation; providing for manufacturing opportunity districts in certain cities; providing tax credits and exemptions for certain industries located in a manufacturing opportunity district; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes and Tax Laws.

MEMBERS EXCUSED

Mr. Cohen was excused from the Session of today at 6:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 31, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, March 31, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Terwilliger imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Thomas E. Nyman.

The roll was called, and the following Senators answered to their names:

Adkins	Day	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	Terwilliger
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 Senate Files, herewith returned: S.F. Nos. 1298, 2182, 2208, 1767, 1991, 2069, 1900, 2310, 2337 and 2308.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1992

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. 2421: A bill for an act relating to natural resources; extending the term of certain timber permits.

Senate File No. 2421 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1992

CONCURRENCE AND REPASSAGE

Mr. Lessard moved that the Senate concur in the amendments by the House to S.F. No. 2421 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2421 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Mehrkens	Ranum
Beckman	Day	Johnston	Merriam	Reichgott
Belanger	DeCramer	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	Olson	Spear
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	
Dahl	Johnson, D.E.	McGowan	Price	

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. 2117: A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

Senate File No. 2117 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1992

CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 2117 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2117 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McGowan	Ranum
Beckman	Day	Johnson, D.J.	Mehrkens	Reichgott
Belanger	DeCramer	Johnson, J.B.	Merriam	Renneke
Benson, D.D.	Dicklich	Johnston	Mondale	Riveness
Benson, J.E.	Finn	Kelly	Morse	Sams
Berg	Flynn	Knaak	Neuville	Samuelson
Berglin	Frank	Kroening	Novak	Spear
Bernhagen	Frederickson, D.J.	Laidig	Olson	Stumpf
Bertram	Frederickson, D.R.	Langseth	Pappas	Terwilliger
Brataas	Gustafson	Larson	Pariseau	Traub
Chmielewski	Halberg	Lessard	Piper	Vickerman
Cohen	Hottinger	Luther	Pogemiller	Waldorf
Dahl	Hughes	Marty	Price	

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. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

Senate File No. 2514 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1992

Mr. Frederickson, D.J. moved that S.F. No. 2514 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 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.

There has been appointed as such committee on the part of the House: Jacobs, O'Connor and Boo.

Senate File No. 1399 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 30, 1992

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1948:

H.F. No. 1948: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Carruthers, Skoglund and Dempsey have been appointed as such committee on the part of the House.

House File No. 1948 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1992

Mr. Luther moved that H.F. No. 1948 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. 2435, 2749, 2756, 419 and 2709.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 30, 1992

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2435: A bill for an act relating to the department of employee relations; public employment; removing a committee's expiration date; modifying retirement program options; expanding a bidding requirement exemption; amending Minnesota Statutes 1990, section 43A.316, subdivisions 4, 6, and 10; Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 8; repealing Laws 1990, chapter 589, article 2, section 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2700, now on General Orders.

H.F. No. 2749: A bill for an act relating to telecommunications; authorizing the telecommunications access for communication-impaired persons' board to advance money to contractors under certain conditions; prescribing the terms and compensation of board members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

Referred to the Committee on Finance.

H.F. No. 2756: A bill for an act relating to the city of Virginia; authorizing annual increases in survivor benefits payable by the Virginia firefighters relief association.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2530, now on General Orders.

H.F. No. 419: A bill for an act relating to retirement; public employee retirement savings programs; authorizing an employer matching contribution to certain tax sheltered annuity contracts; amending Minnesota Statutes 1990, section 356.24.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 410.

H.F. No. 2709: A bill for an act relating to alcoholic beverages; exempting liquor investigation vehicles from taxes and registration fees; defining certain terms; clarifying certain language; authorizing issuance of certain liquor licenses and operation of a liquor store; reversion of certain unused liquor licenses; amending Minnesota Statutes 1990, sections 168.012, subdivision 1; 340A.101, subdivision 15; and 340A.602.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2483, now on General Orders.

REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2402. The motion prevailed.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2565: A bill for an act relating to the bureau of mediation services; eliminating the Minnesota public employment relations board; modifying arbitration procedures; amending Minnesota Statutes 1990, sections 14.03, subdivision 2; 43A.06, subdivision 2; 179A.03, subdivisions 3, 5, and 17; 179A.10, subdivisions 1 and 3; 179A.12, subdivision 3; 179A.13, subdivision 3; 179A.16, subdivisions 3, 5, and 8; 179A.17; 179A.18, subdivision 1; 179A.20, subdivision 1; 179A.21, subdivisions 2 and 3; 179A.22, subdivision 4; and 179A.25; Minnesota Statutes 1991 Supplement, sections 179A.04, subdivision 3; 179A.13, subdivision 2; and 179A.16, subdivisions 4, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1990, section 179A.05, as amended.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 8, delete "*The petition*"

Page 5, delete lines 9 to 13 and insert "A petition for a writ of certiorari must be filed and served on the other party or parties and the commissioner within 30 days from the date of the mailing of the commissioner's decision. The petition must be served on the other party or parties at the party's or parties' last known address."

Page 13, line 13, delete the new language

Page 13, delete lines 14 to 17 and insert "that all arbitration proceedings have concluded. This deadline may be extended only with the approval of the chair of the board commissioner. The board commissioner shall adopt rules establishing criteria to be followed in determining whether an extension should be granted."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 684: A bill for an act relating to retirement: judges retirement fund; eliminating the offset for a portion of Social Security benefits: amending Minnesota Statutes 1990, sections 355.391, subdivision 1; and 490.123, subdivision 1; repealing Minnesota Statutes 1990, section 490.129.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause, and insert:

"Section 1. [355.393] [SECOND SOCIAL SECURITY COVERAGE ELECTION.]

A member of the basic program of the judges retirement plan governed by sections 490.121 to 490.133 is entitled to elect social security coverage in a second social security referendum held for that purpose by the department of employee relations. The social security coverage is effective on the first of the month next following the referendum.

Sec. 2. Minnesota Statutes 1991 Supplement, section 490.123, subdivision 1a, is amended to read:

Subd. 1a. [MEMBER CONTRIBUTION RATES.] (a) A judge who is covered by the federal old age, survivors, disability, and health insurance program shall contribute to the fund from each salary payment a sum equal to ~~four~~ 6.27 percent of salary.

(b) A judge not so covered shall contribute to the fund from each salary payment a sum equal to 8.15 percent of salary.

(c) The contribution under this subdivision is payable by salary deduction.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 490.129, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective on the first day of the first payroll period occurring after final enactment. Section 3 is effective on the day following final enactment and applies to judges who terminated active service on or after July 1, 1991."

Amend the title as follows:

Page 1, line 4, delete "1990" and insert "1991 Supplement"

Page 1, delete lines 5 to 7 and insert "section 490.123, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 355: repealing Minnesota Statutes 1990, section 490.129."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2750: A bill for an act relating to retirement; St. Paul fire department relief association; increasing service pension amounts; substituting a revised longevity benefit; limiting future benefit reductions; amending Laws 1955, chapter 375, sections 21 and 22, as amended.

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 1955, chapter 151, section 9, subdivision 5, as amended by Laws 1963, chapter 271, section 5, and Laws 1971, chapter 549, section 3, is amended to read:

Subd. 5. [ST. PAUL POLICE RELIEF ASSOCIATION: ADDITIONAL SERVICE PENSIONS.] (a) In addition to the pension of 40 units per month provided for in subdivision 4, the association shall pay a pension of one unit per month for each additional year of service over 20 years, provided, however that each member who retires from the service of the police department after June 1, 1971 shall receive two units per month for each additional year of service over 20 years, but the total of these pension payments shall not exceed 50 units per month.

(b) *Beginning with the first service pension payment made after the effective date of this section, a person who retired before June 1, 1971, and who did not receive the benefit increase provided by Laws 1971, chapter 549, section 3, is entitled to receive an additional one unit per month for each year of active service rendered by the person with over 20 years of service, but not to result in a service pension in total that exceeds 50 units per month.*

Sec. 2. Laws 1955, chapter 151, section 9, subdivision 6, as amended by Laws 1973, chapter 286, section 1, is amended to read:

Subd. 6. [ST. PAUL, CITY OF; POLICE PENSIONS.] (a) The association shall pay to any member permanently disabled physically or mentally because of an injury received while on duty as a member of the city police department so as to render necessary his retirement from active police service, a pension of 40 units per month, if the date of the retirement was prior to January 1, 1949. If the date of such retirement is subsequent to January 1, 1949, and occurs during the first 20 years of his service, the association shall pay him a pension of 40 units per month. If such retirement occurs after 21 years of service, the association shall pay him a pension of one unit per month for each additional year of service over 20 years; provided, however, if the date of such retirement is subsequent to June 1, 1971, the association shall pay him a pension of two units per month for each

year of service over 20 years, regardless of whether he has attained the age of 50 years; but the total of these pension payments shall not exceed 50 units per month.

(b) Beginning with the first disability benefit payment made after the effective date of this section, a person who was disabled before June 1, 1971, and who did not receive the benefit increase provided by Laws 1973, chapter 286, section 1, is entitled to receive an additional one unit per month for each year of active service rendered by the person with over 20 years of service, but not to result in a disability benefit in total that exceeds 50 units per month.

Sec. 3. Laws 1955, chapter 375, section 21, as amended by Laws 1967, chapter 644, section 1, is amended to read:

Sec. 21. [ST. PAUL, CITY OF; ~~FIREMEN'S FIRE DEPARTMENT RELIEF ASSOCIATIONS ASSOCIATION~~; UNIT DEFINED; AMOUNT OF DISABILITY BENEFITS.]

Subdivision 1. [DEFINITION OF UNIT.] A unit as referred to hereinafter in this act shall be one-eightieth of the maximum *current* monthly salary of a first grade fire fighter on February 1 of the *current calendar year in which the pensions provided for in this act are paid*.

Subd. 2. [MAXIMUM DISABILITY BENEFITS.] A member of any such relief association is entitled to disability benefits as herein defined, shall receive the same from his association for such periods of time, at such times, and in such amounts, not to exceed 40 units per month, as the bylaws of said association provide.

Sec. 4. Laws 1955, chapter 375, section 22, as amended by Laws 1973, chapter 287, section 1, is amended to read:

Sec. 22. [SAINT PAUL, CITY OF; ~~FIREMEN'S FIRE DEPARTMENT RELIEF ASSOCIATION~~; ~~RETIREMENT BENEFITS SERVICE PENSIONS~~.]

Subdivision 1. [PRIMARY SERVICE PENSION; GENERAL PROVISIONS.] A member of such association who has completed a period, or periods of service on the fire department equal to 20 years or more, shall, after he has arrived at the age of 50 years, or more, and has retired from the payroll of the fire department, be entitled to a basic pension of not less than 20 units and not more than 33 units per month for his natural life in conformity to the ~~by-laws~~ *bylaws* of such association. Any and all leaves of absence of more than 90 days, except such as are granted to a member because of his disability due to sickness or accident, shall be excluded in computing said period of service; and all periods of time during which a member received a disability pension shall be excluded in such computation. No deduction shall be made for a leave of absence granted to a member to enable him to accept an appointive position in said fire department. No member shall be entitled to draw both a disability and a service pension.

Such monthly basic payments may be increased by adding to said basic pension 1 unit per month, or any portion thereof, for each year of active duty over 20 and not more than 35 years. Provided further, however, that for a member who retires after July 1, 1973, such monthly basic payments may be increased by the addition of 2 units per month, or any portion thereof, for each year of active duty over 20 years.

The ~~by-laws~~ *bylaws* of such association may provide for these increases.

or any portion thereof; provided, that in no event the total pension exceed the sum of 40 units per month.

Subd. 2. [INCREASE IN CERTAIN PRE-1973 PENSION AMOUNTS.] Beginning with the first service pension payment made after the effective date of this section, a person who retired before July 1, 1973, and who did not receive the benefit increase provided by Laws 1973, chapter 287, section 1, is entitled to receive an additional one unit per month for each year of active service rendered by the person over 20 years of service, but not to exceed 35 years of service, and not to result in a service pension in total that exceeds 40 units per month.

Sec. 5. [LIMITATION ON POSTRETIREMENT BENEFIT REDUCTIONS.]

A monthly service pension or retirement benefit payment from the St. Paul fire department relief association or the St. Paul police relief association may not be reduced in amount to an amount that is less than that received by the person for the immediately previous month. This limitation may not be construed to limit the power of the board of trustees of the relief association to require proof of continuing eligibility for receipt of a disability benefit or a survivor benefit, or to require the reduction in amount or elimination of a disability benefit in the event of changed medical circumstances, or to require the reduction in amount or elimination of a survivor benefit in the event of changes in eligibility.

Sec. 6. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 4 are effective upon approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021. Section 5 is effective December 31, 1993, and upon approval by the city council of the city of St. Paul and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to retirement; St. Paul fire department and police relief associations; increasing service pension amounts; limiting future benefit reductions; amending Laws 1955, chapters 151, section 9, subdivisions 5, as amended, and 6, as amended; and 375, sections 21, as amended, and 22, as amended."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1934: A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, section 69.011, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after "and" insert ", for purposes of the police state

aid program only."

Page 2, line 35, strike "or" and insert a comma

Page 2, line 36, after "fund" insert ", or the Minneapolis employees retirement fund"

Page 3, line 22, delete "fire and"

Page 3, after line 24, insert:

"Sec. 3. Minnesota Statutes 1990, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the

public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve holding account of the public employees retirement association.

(4) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid toward the commission's employer contribution to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a.

Sec. 4, Minnesota Statutes 1990, section 422A.01, is amended by adding subdivisions to read:

Subd. 17. [FIREFIGHTER.] "Firefighter," for purposes of section 422A.151, means an employee of the metropolitan airports commission who was employed by the commission before June 30, 1978, and whose employment duties include, at a minimum, full-time service as an employee of a designated fire company who is engaged primarily in fire suppression and related duties, or as a person who is in charge of a designated fire company or companies and who is engaged in the hazards of fire fighting.

Sec. 5, Minnesota Statutes 1990, section 422A.01, is amended by adding a subdivision to read:

Subd. 18. [LICENSED PEACE OFFICER.] "Licensed peace officer," for purposes of section 422A.151, means an employee of the metropolitan airports commission who was employed by the commission before June 30, 1978, and whose employment duties include, at a minimum, full-time service as an officer whose primary job it is to enforce the law, who is licensed by the Minnesota board of peace officer standards and training under sections 626.84 to 626.855, who is engaged in the hazards of protecting the safety and property of others, and who has the power to arrest by warrant."

Page 3, line 25, delete "3" and insert "6"

Page 3, delete lines 26 to 31 and insert:

"(a) In the case of a contributing member of the Minneapolis employees retirement fund who is employed as a licensed peace officer or firefighter with the metropolitan airports commission and who retires, becomes disabled within the meaning of section 422A.18, or dies, the retirement, disability, or survivor allowance is equal to the"

Page 3, lines 33 and 34, delete "the person is entitled to as a member" and insert "calculated for the person under the applicable provisions"

Page 3, line 36, delete "allowance" and insert "benefit"

Page 4, after line 7, insert "In computing the alternative benefit under section 353.651, 353.656, or 353.657, the applicable definitions and related provisions of chapter 353 must be used.

(b) If a contributing member under paragraph (a) has periods of coverage

by the Minneapolis employees retirement fund that include service other than employment as a licensed peace officer or firefighter as well as employment as a licensed peace officer or firefighter, the calculation of the benefit under paragraph (a), clause (2), may only utilize service as a licensed peace officer or firefighter employed by the metropolitan airports commission."

Page 4, line 8, delete "4" and insert "7"

Page 4, line 9, delete ", 2, and 3" and insert "to 6" and delete the second "3" and insert "6"

Amend the title as follows:

Page 1, line 7, delete "section" and insert "sections" and after the semicolon, insert "69.031, subdivision 5; and 422A.01, by adding subdivisions;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2402: A bill for an act relating to state government; executive council; regulating depositories for state funds; amending Minnesota Statutes 1990, section 9.031, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 9; repealing Minnesota Statutes 1990, section 9.031, subdivisions 1, 2, 3, 4, 5, and 10.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 20, insert:

"The banks or thrift institutions designated as depositories under this section must have received ratings of "outstanding" or "satisfactory" as their most recent rating under section 47.83 or under United States Code, title 12, section 2906."

Page 2, line 16, after "deposit" insert "or share certificates" and delete everything after "by"

Page 2, delete line 17

Page 2, line 18, delete "Corporation" and insert "an agency of the federal government insuring deposits"

Page 2, line 20, delete "and" and insert "or"

Page 3, line 1, delete the first "shall" and insert "must"

Page 3, lines 19 and 30, delete "shall" and insert "must"

Page 3, lines 24 and 25, delete "shall be" and insert "is"

Page 3, line 27, delete "shall" and insert "is" and delete "become"

Page 3, line 33, delete "shall" and insert "may"

Page 3, after line 34, insert:

"Sec. 8. Minnesota Statutes 1990, section 9.031, is amended by adding a subdivision to read:

Subd. 13. [LOSS OF REQUIRED COMMUNITY REINVESTMENT

RATING. *If a state depository receives a community reinvestment rating, as provided in section 1, that is below "satisfactory," the executive council shall revoke its designation as a depository. The executive council may delay the effective date of the revocation if necessary to allow a reasonable period of time to arrange for a replacement depository."*

Page 3, line 35, delete "8" and insert "9"

And when so amended the bill do pass. Ms. Pappas questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2106 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.
2106	1836				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2106 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2106 and insert the language after the enacting clause of S.F. No. 1836, the first engrossment; further, delete the title of H.F. No. 2106 and insert the title of S.F. No. 1836, the first engrossment.

And when so amended H.F. No. 2106 will be identical to S.F. No. 1836, and further recommends that H.F. No. 2106 be given its second reading and substituted for S.F. No. 1836, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. Spear from the Committee on Judiciary, to which was referred

S.F. No. 1974: A bill for an act relating to government data practices; referencing provisions codified outside the Minnesota government data practices act; proposing coding for new law in Minnesota Statutes, chapter 13.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 13.02, is amended by adding a subdivision to read:

Subd. 9a. [LICENSING DATA.] "Licensing data" means data on individuals collected for the purpose of issuing a license, permit, or certificate of registration or qualification.

Sec. 2. Minnesota Statutes 1991 Supplement, 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.

Sec. 3. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

Subd. 3a. [ACCESS FOR COMMERCIAL PURPOSES; FEES.] A state agency shall charge a fee for providing licensing data that will be used for commercial purposes as part of a list for mailing or telephone solicitation that is authorized under subdivision 3 for the actual cost of providing the data plus the cost of separating data under section 5.

Sec. 4. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

Subd. 10. [COSTS FOR PROVIDING COPIES OF DATA.] Money collected by a responsible authority in a state agency for the actual cost to the agency of providing copies or electronic transmittal of government data is appropriated to the agency and added to the appropriations from which the costs were paid.

Sec. 5. Minnesota Statutes 1990, section 13.04, is amended by adding a subdivision to read:

Subd. 5. [COMMERCIAL LISTS.] If requested by the subject of the data, a state agency may not release licensing data on the individual if the data that are released will be used for commercial purposes as part of a list for mailing or telephone solicitation. A license application or renewal form must include a provision under which an individual may request that data not be released in accordance with this subdivision. This subdivision does not apply to the release of data to a motor vehicle manufacturer or its designee for the purpose of notifying purchasers of a motor vehicle recall.

Sec. 6. Minnesota Statutes 1990, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by political subdivisions, statewide systems, or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

(1) in plain language;

(2) dated;

(3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;

(4) specific as to the nature of the information the subject is authorizing to be disclosed;

(5) specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;

(6) specific as to the purpose or purposes for which the information may be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;

(7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years the date of the policy.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

Sec. 7. [13.99] [OTHER GOVERNMENT DATA PROVISIONS.]

Subdivision 1. [PROVISIONS CODED IN OTHER CHAPTERS.] The laws enumerated in this section are codified outside of chapter 13 and classify government data as other than public or place restrictions on access to government data. The remedies and penalties provided in sections 13.08 and 13.09 also apply to data and records listed in this section and to other provisions of statute that provide access to government data and records or rights regarding government data similar to those established by section 13.04.

Subd. 2. [DATA PROVIDED TO THE TAX STUDY COMMISSION.] The commissioner of revenue shall provide data to the tax study commission under section 3.861, subdivision 6.

Subd. 3. [LEGISLATIVE AUDIT DATA.] Data relating to an audit performed under section 3.97 are classified under section 3.97, subdivision 11.

Subd. 4. [ETHICAL PRACTICES BOARD INFORMATION.] Disclosure by the ethical practices board of information about a complaint or investigation is governed by section 10A.02, subdivision 11.

Subd. 5. [ETHICAL PRACTICES INVESTIGATION DATA.] The record of certain investigations conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.02, subdivision 11a.

Subd. 6. [REGISTER OF OWNERSHIP OF BONDS OR CERTIFICATES.] Information in a register of ownership of state bonds or certificates is classified under section 16A.672, subdivision 11.

Subd. 7. [PESTICIDE DEALER RECORDS.] Records of pesticide dealers inspected or copied by the commissioner of agriculture are classified under section 18B.37, subdivision 5.

Subd. 8. [DAIRY REPORTS TO COMMISSIONER OF AGRICULTURE.] Disclosure of information in reports about dairy production required to be filed with the commissioner of agriculture under section 32.19 is governed by that section.

Subd. 9. [FAMILY FARM SECURITY.] Data received or prepared by the commissioner of agriculture regarding family farm security loans are classified in section 41.63.

Subd. 10. [RURAL FINANCE AUTHORITY.] Certain data received or prepared by the rural finance authority are classified pursuant to section

41B.211.

Subd. 11. [WORLD TRADE CENTER.] Certain data received or developed by the governing board of the Minnesota world trade center corporation are classified in section 44A.08.

Subd. 12. [COMMERCE DEPARTMENT DATA ON FINANCIAL INSTITUTIONS.] The disclosure by the commissioner of commerce of facts and information obtained in the course of examining financial institutions is governed by section 46.07, subdivision 2.

Subd. 13. [COMMUNITY REINVESTMENT RATING.] The contents and disclosure of the confidential section of the community reinvestment rating prepared by the commissioner of commerce are governed by section 47.84.

Subd. 14. [EXAMINATION OF INSURANCE COMPANIES.] Information obtained by the commissioner of commerce in the course of supervising or examining insurance companies is classified under section 60A.03, subdivision 9. An examination report of a domestic or foreign insurance company prepared by the commissioner is classified pursuant to section 60A.031, subdivision 4.

Subd. 15. [INSURANCE COMPANY INFORMATION.] Data received by the department of commerce under section 60A.93 are classified as provided by that section.

Subd. 16. [PROCEEDING AND RECORDS IN SUMMARY PROCEEDINGS AGAINST INSURERS.] Access to proceedings and records of summary proceedings by the commissioner of commerce against insurers and judicial review of such proceedings is governed by section 60B.14, subdivisions 1, 2, and 3.

Subd. 17. [INSURANCE GUARANTY ASSOCIATION.] The commissioner may share data with the board of the Minnesota Insurance Guaranty Association as provided by section 60C.14, subdivision 2.

Subd. 18. [VARIOUS INSURANCE DATA.] Disclosure of information obtained by the commissioner of commerce under section 60D.18, 60D.19, or 60D.20 is governed by section 60D.22.

Subd. 19. [HMO EXAMINATIONS.] Data obtained by the commissioner of health in the course of an examination of the affairs of a health maintenance organization are classified under section 62D.14, subdivisions 1 and 4.

Subd. 20. [AUTO THEFT DATA.] The sharing of data on auto thefts between law enforcement and prosecutors and insurers is governed by section 65B.81.

Subd. 21. [SELF-INSURERS' SECURITY FUND.] Disclosure of certain data received by the self-insurers' security is governed by section 79A.09, subdivision 4.

Subd. 22. [ENVIRONMENTAL RESPONSE.] Certain data obtained by the pollution control agency from a person who may be responsible for a release are classified in section 115B.17, subdivision 5.

Subd. 23. [HAZARDOUS WASTE GENERATORS.] Data exchanged between the pollution control agency and the department of revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section

115B.24. subdivision 5.

Subd. 24. [SOLID WASTE FACILITY RECORDS.] Records of solid waste facilities received, inspected, or copied by a county pursuant to section 115A.882 are classified pursuant to section 115A.882, subdivision 3.

Subd. 25. [HAZARDOUS WASTE GENERATORS.] Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.

Subd. 26. [POLLUTION CONTROL AGENCY TESTS.] Trade secret information made available by applicants for certain projects of the pollution control agency are classified under section 116.54.

Subd. 27. [LOW-LEVEL RADIOACTIVE WASTE.] Certain data given to the pollution control agency by persons who generate, transport, or dispose of low-level radioactive waste are classified under section 116C.840.

Subd. 28. [MINNESOTA EDUCATIONAL COMPUTING CORPORATION.] Trade secret data of the Minnesota educational computing corporation are classified under section 119.06, subdivision 1.

Subd. 29. [STUDENT FINANCIAL AID.] Data collected and used by the higher education coordinating board on applicants for financial assistance are classified under section 136A.162.

Subd. 30. [RESTRICTIONS ON ACCESS TO ARCHIVES RECORDS.] Limitations on access to records transferred to the state archives are provided in section 138.17, subdivision 1c.

Subd. 31. [FOUNDLING REGISTRATION.] The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.

Subd. 32. [NEW CERTIFICATE OF BIRTH.] In circumstances in which a new certificate of birth may be issued under section 144.218, the original certificate of birth is classified as provided in that section.

Subd. 33. [BIRTH CERTIFICATE OF CHILD OF UNMARRIED PARENTS.] Access to the birth certificate of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivision 2, and 257.73.

Subd. 34. [HUMAN LEUKOCYTE ANTIGEN TYPE REGISTRY.] Data identifying a person and the person's human leukocyte antigen type which is maintained by a government entity are classified under section 144.336, subdivision 1.

Subd. 35. [HEALTH THREAT PROCEDURES.] Data in a health directive issued by the commissioner of health or a board of health are classified in section 144.4186.

Subd. 36. [CERTAIN HEALTH INSPECTIONS.] Disclosure of certain data received by the commissioner of health under sections 144.50 to 144.56 is governed by section 144.58.

Subd. 37. [CANCER SURVEILLANCE SYSTEM.] Data on individuals collected by the cancer surveillance system are classified pursuant to section 144.69.

Subd. 38. [MEDICAL MALPRACTICE CLAIMS REPORTS.] Reports of medical malpractice claims submitted by an insurer to the commissioner

of health under section 144.693 are classified as provided in section 144.693, subdivision 1.

Subd. 39. [HEALTH TEST RESULTS.] Health test results obtained under chapter 144 are classified under section 144.768.

Subd. 40. [HOME CARE SERVICES.] Certain data from providers of home care services given to the commissioner of health are classified under section 144A.47.

Subd. 41. [TERMINATED PREGNANCIES.] Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.

Subd. 42. [REVIEW ORGANIZATION DATA.] Disclosure of data and information acquired by a review organization as defined in section 145.61, subdivision 5, is governed by section 145.64.

Subd. 43. [FAMILY PLANNING GRANTS.] Information gathered under section 145.925 is classified under section 145.925, subdivision 6.

Subd. 44. [PHYSICIAN INVESTIGATION RECORDS.] Patient medical records provided to the board of medical examiners under section 147.131 are classified under that section.

Subd. 45. [RECORD OF PHYSICIAN DISCIPLINARY ACTION.] The administrative record of any disciplinary action taken by the board of medical examiners under sections 147.01 to 147.33 is sealed upon judicial review as provided in section 147.151.

Subd. 46. [CHIROPRACTIC REVIEW RECORDS.] Data of the board of chiropractic examiners and the peer review committee are classified under section 148.106, subdivision 10.

Subd. 47. [DISCIPLINARY ACTION AGAINST NURSES.] Data obtained under section 148.261, subdivision 5, by the board of nursing are classified under that subdivision.

Subd. 48. [MEDICAL RECORDS OBTAINED BY BOARD OF NURSING.] Medical records of a patient cared for by a nurse who is under review by the board of nursing are classified under sections 148.191, subdivision 2, and 148.265.

Subd. 49. [RECORDS OF NURSE DISCIPLINARY ACTION.] The administrative records of any disciplinary action taken by the board of nursing under sections 148.171 to 148.285 are sealed upon judicial review as provided in section 148.266.

Subd. 50. [CLIENT RECORDS OBTAINED BY BOARDS ON MENTAL HEALTH AND SOCIAL WORK.] Client records obtained by a board conducting an investigation under chapter 148B are classified by section 148B.09.

Subd. 51. [RECORDS OF MENTAL HEALTH AND SOCIAL WORK DISCIPLINARY ACTION.] The administrative records of disciplinary action taken by a board under chapter 148B are sealed upon judicial review as provided in section 148B.10.

Subd. 52. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] Certain data obtained by licensing boards under chapter 148B are classified under section 148B.175, subdivisions 2 and 5.

Subd. 53. [RECORDS OF UNLICENSED MENTAL HEALTH PRACTITIONER DISCIPLINARY ACTIONS.] The administrative records of disciplinary action taken by the commissioner of health pursuant to sections 148B.60 to 148B.71 are sealed upon judicial review as provided in section 148B.65.

Subd. 54. [BOARD OF DENTISTRY.] Data obtained by the board of dentistry under section 150A.08, subdivision 6, are classified as provided in that subdivision.

Subd. 55. [MOTOR VEHICLE REGISTRATION.] The residence address of certain individuals provided to the commissioner of public safety for motor vehicle registrations is classified under section 168.346.

Subd. 56. [DRIVERS' LICENSE PHOTOGRAPHS.] Photographs taken by the commissioner of public safety for drivers' licenses are classified under section 171.07, subdivision 1a.

Subd. 57. [DRIVERS' LICENSE ADDRESS.] The residence address of certain individuals provided to the commissioner of public safety in drivers' license applications is classified under section 171.12, subdivision 7.

Subd. 58. [ACCIDENT REPORTS.] Release of accident reports provided to the department of public safety under section 169.09 is governed by section 169.09, subdivision 13.

Subd. 59. [REPORT OF DEATH OR INJURY TO LABOR AND INDUSTRY.] Access to a report of worker injury or death during the course of employment filed by an employer under section 176.231 is governed by sections 176.231, subdivisions 8 and 9, and 176.234.

Subd. 60. [OCCUPATIONAL SAFETY AND HEALTH.] Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections are classified under section 182.659, subdivision 8.

Subd. 61. [EMPLOYEE DRUG AND ALCOHOL TEST RESULTS.] Test results and other information acquired in the drug and alcohol testing process, with respect to public sector employees and applicants, are classified by section 181.954, subdivision 2, and access to them is governed by section 181.954, subdivision 3.

Subd. 62. [CERTAIN VETERANS BENEFITS.] Access to files pertaining to claims for certain veterans benefits is governed by section 196.08.

Subd. 63. [VETERANS SERVICE OFFICERS.] Data maintained by veterans service officers are classified under section 197.603.

Subd. 64. [HEALTH LICENSING BOARDS.] Data received by health licensing boards from the commissioner of human services are classified under section 214.10, subdivision 8.

Subd. 65. [COMMISSIONER OF PUBLIC SERVICES.] Certain energy data maintained by the commissioner of public safety are classified under section 216C.17, subdivision 4.

Subd. 66. [CHILDREN RECEIVING MENTAL HEALTH SERVICES.] Disclosure of identities of children receiving mental health services under sections 245.487 to 245.4887, and the identities of their families, is governed by section 245.4876, subdivision 7.

Subd. 67. [MENTAL HEALTH CLINICS AND CENTERS.] Data collected by mental health clinics and centers approved by the commissioner of human services are classified under section 245.69, subdivision 2.

Subd. 68. [STATE HOSPITAL PATIENTS.] Contents of, and access to, records of state hospital patients required to be kept by the commissioner of human services are governed by section 246.13.

Subd. 69. [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.] Certain data received by the commissioner of human services from chemical dependency programs are classified under section 246.64, subdivision 4.

Subd. 70. [RAMSEY HEALTH CARE.] Data maintained by Ramsey Health Care, Inc., are classified under section 246A.17.

Subd. 71. [SUBJECT OF RESEARCH: RECIPIENTS OF ALCOHOL OR DRUG ABUSE TREATMENT.] Access to records of individuals who are the subject of research or who receive information, assessment, or treatment concerning alcohol or drug abuse is governed by section 254A.09.

Subd. 72. [CHILD MORTALITY REVIEW PANEL.] Data practices of the commissioner of human services as part of the child mortality review panel are governed by section 256.01, subdivision 12.

Subd. 73. [RECORDS OF ARTIFICIAL INSEMINATION.] Access to records held by a court or other agency concerning artificial insemination performed on a married woman with her husband's consent is governed by section 257.56, subdivision 1.

Subd. 74. [PARENTAGE ACTION RECORDS.] Inspection of records in parentage actions held by the court, the commissioner of human services, or elsewhere is governed by section 257.70.

Subd. 75. [COMMISSIONER'S RECORDS OF ADOPTION.] Records of adoption held by the commissioner of human services are classified, and access to them is governed by section 259.46, subdivisions 1 and 3.

Subd. 76. [ADOPTEE'S ORIGINAL BIRTH CERTIFICATE.] Access to the original birth certificate of a person who has been adopted is governed by section 259.49.

Subd. 77. [PEACE OFFICERS AND CORRECTIONS RECORDS OF JUVENILES.] Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3.

Subd. 78. [COMMISSIONER OF JOBS AND TRAINING.] Data maintained by the commissioner of jobs and training are classified under section 268.12, subdivision 12.

Subd. 79. [TRANSITIONAL HOUSING DATA.] Certain data collected, used, or maintained by the recipient of a grant to provide transitional housing are classified under section 268.38, subdivision 9.

Subd. 80. [EMERGENCY JOBS PROGRAM.] Data maintained by the commissioner of public safety for the emergency jobs program are classified under section 268.673, subdivision 5.

Subd. 81. [VOCATIONAL REHABILITATION DATA.] Disclosure of data obtained by the commissioner of jobs and training regarding the vocational rehabilitation of an injured or disabled employee is governed by section 268A.05.

Subd. 82. [REVENUE RECAPTURE ACT.] Data maintained by the commissioner of revenue under the revenue recapture act are classified under section 270A.11.

Subd. 83. [TAX DATA; CLASSIFICATION AND DISCLOSURE.] Classification and disclosure of tax data created, collected, or maintained by the department of revenue under chapter 290, 290A, 291, or 297A are governed by chapter 270B.

Subd. 84. [HOMESTEAD APPLICATIONS.] The classification and disclosure of certain information collected to determine homestead classification is governed by section 273.124, subdivision 13.

Subd. 85. [MOTOR VEHICLE REGISTRARS.] Disclosure of certain information obtained by motor vehicle registrars is governed by section 297B.12.

Subd. 86. [MARIJUANA AND CONTROLLED SUBSTANCE TAX INFORMATION.] Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.

Subd. 87. [MINERAL RIGHTS FILINGS.] Data filed pursuant to section 298.48 with the commissioner of revenue by owners or lessees of mineral rights are classified under section 298.48, subdivision 4.

Subd. 88. [UNDERCOVER BUY FUND.] Records relating to applications for grants under section 299C.065 are classified under section 299C.065, subdivision 4.

Subd. 89. [ARSON INVESTIGATIONS.] Data maintained as part of arson investigations are governed by sections 299F.055 and 299F.056.

Subd. 90. [OFFICE OF PIPELINE SAFETY.] Data obtained by the director of the office of pipeline safety are classified under section 299J.13.

Subd. 91. [HUMAN RIGHTS CONCILIATION EFFORTS.] Disclosure of information concerning efforts in a particular case to resolve a charge through education conference, conciliation, and persuasion is governed by section 363.06, subdivision 6.

Subd. 92. [HUMAN RIGHTS DEPARTMENT INVESTIGATIVE DATA.] Access to human rights department investigative data by persons other than department employees is governed by section 363.061.

Subd. 93. [RECORDS OF CLOSED COUNTY BOARD MEETINGS.] Records of Hennepin county board meetings permitted to be closed under section 383B.217, subdivision 7, are classified under that subdivision.

Subd. 94. [INQUEST DATA.] Certain data collected or created in the course of a coroner's or medical examiner's inquest are classified under sections 390.11, subdivision 7, and 390.32, subdivision 6.

Subd. 95. [RURAL DEVELOPMENT FINANCING AUTHORITY.] Treatment of preliminary information provided by the commissioner of trade and economic development to an authority contemplating the exercise of powers under sections 469.142 to 469.151 is governed by section 469.150.

Subd. 96. [MUNICIPAL SELF-INSURER CLAIMS.] Disclosure of information about individual claims filed by the employees of a municipality which is a self-insurer is governed by section 471.617, subdivision 5.

Subd. 97. [METROPOLITAN SOLID WASTE LANDFILL FEE.] Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.

Subd. 98. [MUNICIPAL OBLIGATION REGISTER DATA.] Information contained in a register with respect to the ownership of certain municipal obligations is classified under section 475.55, subdivision 6.

Subd. 99. [CHILD CUSTODY PROCEEDINGS.] Court records of child custody proceedings may be sealed as provided in section 518.168.

Subd. 100. [FARMER-LENDER MEDIATION.] Data on debtors and creditors under the farmer-lender mediation act are classified under section 583.29.

Subd. 101. [SOURCES OF PRESENTENCE INVESTIGATION REPORTS.] Disclosure of confidential sources in presentence investigation reports is governed by section 609.115, subdivision 4.

Subd. 102. [USE OF MOTOR VEHICLE TO PATRONIZE PROSTITUTES.] Use of a motor vehicle in the commission of an offense under section 609.324 is noted on the offender's driving records and the notation is classified pursuant to section 609.324, subdivision 5.

Subd. 103. [SEXUAL ASSAULT CRIME VICTIMS.] Data on sexual assault victims are governed by section 609.3471.

Subd. 104. [FINANCIAL DISCLOSURE FOR PUBLIC DEFENDER SERVICES.] Disclosure of financial information provided by a defendant seeking public defender services is governed by section 611.17.

Subd. 105. [CRIME VICTIM NOTICE OF RELEASE.] Data on crime victims who request notice of an offender's release are classified under section 611A.06.

Subd. 106. [BATTERED WOMEN.] Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.

Subd. 107. [CRIME VICTIM CLAIMS FOR REPARATIONS.] Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.

Subd. 108. [CRIME VICTIM OMBUDSMAN.] Data maintained by the crime victim ombudsman are classified under section 611A.74, subdivision 2.

Subd. 109. [REPORTS OF GUNSHOT WOUNDS.] Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.

Subd. 110. [CHILD ABUSE REPORT RECORDS.] Data contained in child abuse report records are classified under section 626.556, subdivisions 11 and 11b.

Subd. 111. [VULNERABLE ADULT REPORT RECORDS.] Data contained in vulnerable adult report records are classified under section 626.557, subdivision 12.

Subd. 112. [PEACE OFFICER DISCIPLINE PROCEDURES.] Access by an officer under investigation to the investigating agency's investigative

report on the officer is governed by section 626.89, subdivision 6.

Sec. 8. [13C.01] [ACCESS TO CONSUMER REPORTS PREPARED BY CONSUMER REPORTING AGENCIES.]

Subdivision 1. [FEE FOR REPORT.] (a) A consumer who is the subject of a credit report maintained by a credit reporting agency is entitled to request and receive by mail, for a charge not to exceed \$8, a copy of the credit report once in any 12-month period. The mailing must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq., for that purpose. The credit reporting agency shall respond to a request under this subdivision within 30 days.

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the credit report in order to confirm that the credit report was corrected.

(c) For purposes of this section, the terms "consumer," "credit report," and "credit reporting agency" have the meanings given them in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq.

Subd. 2. [ENFORCEMENT.] This section may be enforced by the attorney general pursuant to section 8.31.

Sec. 9. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal beneficiary association regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 22 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has had a test performed for the reason set forth in clause (1).

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1).

Sec. 10. Minnesota Statutes 1991 Supplement, section 144.0525, is

amended to read:

144.0525 [DATA FROM LABOR AND INDUSTRY AND JOBS AND TRAINING: EPIDEMIOLOGIC STUDIES.]

All data collected by the commissioner of health under sections 176.234 and, 268.12, and 270B.14, subdivision 11, shall be used only for the purposes of epidemiologic investigations, notification of persons exposed to health hazards as a result of employment, and surveillance of occupational health and safety.

Sec. 11. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; and (4) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

Sec. 12. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. A consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) ~~This subdivision~~ Paragraph (a) does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) Paragraph (a) does not prohibit the release of health records to a provider who is being advised or consulted with in connection with the treatment of the patient.

(d) Paragraph (a) does not prohibit the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(1) the use or release of the records complies with sections 72A.49 to 72A.505;

(2) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(3) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(e) Paragraph (a) does not prohibit the release of health records to qualified personnel for purposes of medical or scientific research, provided that the patient has not objected to a release for research purposes and the provider who releases the records:

(1) determines that the use or disclosure does not violate any limitations under which the record was collected;

(2) determines that the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(3) requires that the recipient establish and maintain adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(4) requires that further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(f) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

~~*(d) 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.*~~

Sec. 13. [144.3351] [IMMUNIZATION DATA.]

Providers as defined in section 144.335, subdivision 1, elementary or secondary schools or child care facilities as defined in section 123.70, subdivision 9, public or private post-secondary educational institutions as defined in section 135A.14, subdivision 1, paragraph (b), a board of health as defined in section 145A.02, subdivision 2, community action agencies as defined in section 268.53, subdivision 1, and the commissioner of health may exchange data with one another, without the patient's consent, on the date and type of immunizations administered to a patient, provided that the person requesting access provides services on behalf of the patient.

Sec. 14. Minnesota Statutes 1990, section 270B.14, is amended by adding a subdivision to read:

Subd. 11. [DISCLOSURE TO COMMISSIONER OF HEALTH.] (a) The commissioner may disclose return information to the commissioner of health as provided in this subdivision. Data that may be disclosed are limited to the taxpayer's identity, as defined in section 270B.01, subdivision 5.

(b) The commissioner of health may request data only for the purposes of carrying out epidemiologic investigations, which includes conducting occupational health and safety surveillance, and locating and notifying individuals exposed to health hazards as a result of employment. Requests for data by the commissioner of health must be in writing and state the purpose of the request. Data received may be used only for the purposes of section 144.0525.

Sec. 15. [299C.60] [CITATION.]

Sections 15 to 19 may be cited as the "Minnesota child protection background check act."

Sec. 16. [299C.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] The definitions in this section apply to sections 16 to 19.

Subd. 2. [BACKGROUND CHECK CRIME.] "Background check crime" includes felony-level violations of the following crimes: child abuse crimes, murder, manslaughter, assault, kidnapping, arson, criminal sexual conduct, prostitution-related crimes, and controlled substance crimes.

Subd. 3. [CHILD.] "Child" means an individual under the age of 18.

Subd. 4. [CHILD ABUSE CRIME.] "Child abuse crime" means an act committed against a minor victim that constitutes a violation of section 609.185, clause (5); 609.221; 609.222; 609.223; 609.224; 609.322; 609.323; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378.

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] "Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services, including a business or organization that licenses or certifies others to provide children's services.

Subd. 6. [CHILDREN'S SERVICE WORKER.] "Children's service worker" means a person who:

(1) is employed by, volunteers with, or seeks to be employed by or volunteer with a children's service provider;

(2) owns, operates, or seeks to own or operate a children's service provider; or

(3) may have access to a child to whom the children's service provider provides children's services.

Subd. 7. [CHILDREN'S SERVICES.] "Children's services" means the provision of care, treatment, education, training, instruction, supervision, or recreation to children.

Subd. 8. [CJIS.] "CJIS" means the Minnesota criminal justice information system.

Subd. 9. [SUPERINTENDENT.] "Superintendent" means the superintendent of the bureau of criminal apprehension.

Sec. 17. [299C.62] [BACKGROUND CHECKS.]

Subdivision 1. [GENERALLY.] The superintendent shall develop procedures to enable a children's service provider to request a background

check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. The superintendent shall require the submission of fingerprints and is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.

Subd. 2. [BACKGROUND CHECKS; REQUIREMENTS.] The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:

(1) a question asking whether the children's service worker has ever been convicted of, arrested for, or charged with a background check crime and if so, requiring a description of the crime, the particulars of the conviction, and the disposition of the arrest or charge;

(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and

(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.

Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 15 to 19.

Subd. 3. [CHILDREN'S SERVICE WORKER RIGHTS.] (a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).

(b) A children's service worker who is the subject of a background check request has the following rights:

(1) the right to be informed that a children's service provider will request a background check on the children's service worker;

(2) the right to obtain a copy of the background check report and any record that forms the basis for the report;

(3) the right to challenge the accuracy and completeness of any information contained in the report or record; and

(4) the right not to be required directly or indirectly to pay the cost of the background check.

Subd. 4. [RESPONSE OF BUREAU.] The superintendent shall respond to a background check request as soon as practicable after receiving the signed, written document described in subdivision 2. The superintendent's response shall be limited to a statement that the background check crime information contained in the document is or is not complete and accurate.

Sec. 18. [299C.63] [EXCEPTION; HUMAN SERVICES LICENSEES.]

A background check performed on a human services licensee or applicant under this section does not satisfy the requirements of section 245A.04 or the rules adopted under it.

Sec. 19. [299C.64] [RULEMAKING AUTHORIZED.]

The superintendent may adopt rules necessary to implement sections 15 to 18.

Sec. 20. Minnesota Statutes 1990, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority ~~in that county~~ to subpoena and require the production of any records of telephone companies, *cellular phone companies, paging companies*, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, *and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies*. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 21. Minnesota Statutes 1991 Supplement, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer *and to the closing of the account*;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may not impose a fee for furnishing this information to law enforcement or prosecuting authorities.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 22. [611A.19] [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of violating section 609.342, 609.343, 609.344, or 609.345, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

- (1) the prosecutor moves for the test order in camera;*
- (2) the victim requests the test; and*

(3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of any test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, except that the results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results may be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335.

Sec. 23. Minnesota Statutes 1990, section 611A.20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF NOTICE.] The commissioners of public safety and corrections, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim of:

- (1) the risk of contracting sexually transmitted diseases as a result of a sexual assault;
- (2) the symptoms of sexually transmitted diseases;
- (3) recommendations for periodic testing for the diseases, where appropriate;
- (4) locations where confidential testing is done and the extent of the confidentiality provided; ~~and~~
- (5) *information necessary to make an informed decision whether to request a test of the offender under section 22; and*
- (6) other medically relevant information.

Sec. 24. Minnesota Statutes 1990, section 626.14, is amended to read: 626.14 [TIME OF SERVICE.]

A search warrant may be served only ~~in the daytime~~ *between the hours*

of 7:00 a.m. and 8:00 p.m. unless the court determines on the basis of facts stated in the affidavits that a nighttime search *outside those hours* is necessary to prevent the loss, destruction, or removal of the objects of the search or to protect the searchers or the public. The search warrant shall state that it may be served only ~~in the daytime~~ *between the hours of 7:00 a.m. and 8:00 p.m.* unless a nighttime search *outside those hours* is authorized.

Sec. 25. Minnesota Statutes 1990, section 638.02, subdivision 2, is amended to read:

Subd. 2. Any person, convicted of a crime in any court of this state, who has served the sentence imposed by the court and has been discharged of the sentence either by order of court or by operation of law, may petition the board of pardons for the granting of a pardon extraordinary. *Unless the board of pardons expressly provides otherwise in writing by unanimous vote, the application for a pardon extraordinary may not be filed until the applicable time period in clause (1) or (2) has elapsed:*

(1) *if the person was convicted of a crime against a person, ten years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime; and*

(2) *if the person was convicted of a property crime, five years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime.*

If the board of pardons ~~shall determine~~ *determines* that ~~such the person has been convicted of no criminal acts other than the act upon which such conviction was founded~~ and is of good character and reputation, the board may, in its discretion, grant ~~to such the person~~ a pardon extraordinary. ~~Such~~ *The* pardon extraordinary, when granted, ~~shall have~~ *has* the effect of restoring ~~such the person to all civil rights, and shall have~~ *has* the effect of setting aside ~~and nullifying~~ the conviction ~~and nullifying the same~~ and of purging ~~such the person thereof~~ of it, and ~~such the person shall never thereafter~~ *after that* be required to disclose the conviction at any time or place other than in a judicial proceeding thereafter instituted.

The application for ~~such a~~ pardon extraordinary ~~and~~, the proceedings ~~thereunder to review an application, and the notice thereof shall be~~ *requirements* are governed by the statutes and the rules of the board in respect to other proceedings before the board ~~and~~. *The application shall contain such* any further information ~~as that~~ the board may require.

Unless the board of pardons expressly provides otherwise in writing by unanimous vote, if the person was convicted of a crime of violence, as defined in section 624.712, subdivision 5, the pardon extraordinary must expressly provide that the pardon does not entitle the person to ship, transport, possess, or receive a firearm until ten years have elapsed since the sentence was discharged and during that time the person was not convicted of any other crime of violence.

Sec. 26. Minnesota Statutes 1991 Supplement, 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~~ of it with the district court of the county in which the conviction occurred, and the court shall order the conviction set aside and

include a copy of the pardon in the court file. *The court shall send a copy of its order and the pardon to the bureau of criminal apprehension.*

Sec. 27. Minnesota Statutes 1990, section 638.02, subdivision 4, is amended to read:

Subd. 4. Any person granted a pardon extraordinary by the board of pardons prior to April 12, 1974 may apply to the district court of the county in which the conviction occurred for an order setting aside the conviction and sealing all such records as set forth in subdivision 3.

Sec. 28. Minnesota Statutes 1991 Supplement, section 638.05, is amended to read:

638.05 [APPLICATION FOR PARDON.]

Every application for a *relief by the pardon or commutation of sentence board* shall be in writing, addressed to the board of pardons, signed *under oath* by the convict or someone in the convict's behalf, shall state concisely the grounds upon which the ~~pardon or commutation~~ relief is sought, and in addition shall contain the following facts:

(1) The name under which the convict was indicted, and every alias by which *the convict is or was* 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 statement~~ is substantially correct; If ~~such~~ *this* statement and endorsement are not furnished, the reason ~~thereof~~ *for failing to furnish them* shall be stated;

(5) The age, birthplace, 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 *relief by the pardon or commutation of sentence board* 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~~ relief is sought. *In addition, if the applicant resided in another state after the sentence was discharged, the application for relief by the pardon board shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant that was collected or maintained by the foreign state relating to the grounds on which the relief is sought.*

Sec. 29. Minnesota Statutes 1991 Supplement, section 638.06, is amended to read:

638.06 [ACTION ON APPLICATION.]

Every ~~such~~ application for relief by the pardon board shall be filed with the ~~clerk~~ secretary of the board of pardons *not less than 60 days before the meeting of the board at which consideration of the application is desired.*

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~~ *on the application*. ~~The clerk shall~~. Immediately on receipt of any application, ~~the secretary to the board shall mail notice thereof of the application~~, and of the time and place of hearing ~~thereon~~ *on it*, to the judge of the court ~~wherein~~ *where* the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office. *Additionally, the secretary shall publish notice of an application for a pardon extraordinary in the local newspaper of the county where the crime occurred.* ~~The clerk secretary~~ shall also make all reasonable efforts to locate any victim of the applicant's crime. ~~The clerk secretary~~ 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.

Sec. 30. [638.075] [ANNUAL REPORTS TO LEGISLATURE.]

By February 15 of each year, the board of pardons shall file a written report with the legislature containing the following information:

(1) the number of applications received by the board during the preceding calendar year for pardons, pardons extraordinary, and commutations of sentence;

(2) the number of applications granted by the board for each category; and

(3) the crimes for which the applications were granted by the board, the year of each conviction, and the age of the offender at the time of the offense.

Sec. 31. [SUPREME COURT: UNIFORM ORDER TO SET ASIDE CONVICTION.]

The supreme court shall, by rule, develop a standardized form to be used by district courts in entering orders to set aside a conviction under Minnesota Statutes, section 638.02, subdivision 3.

Sec. 32. [PARDON BOARD; REVIEW OF STAFFING AND WORKLOAD.]

No later than one year after the effective date of sections 25 to 32, the board of pardons shall assess whether it has adequate staff, resources, and procedures to perform the duties imposed on the board by Minnesota Statutes, chapter 638.

Sec. 33. [TELEPHONE ASSISTANCE PLAN.]

Notwithstanding Minnesota Statutes, section 13.46, subdivision 2, until August 1, 1993, welfare data collected by the telephone assistance plan may be disclosed to the department of revenue to conduct an electronic data match to the extent necessary to determine eligibility under Minnesota Statutes, section 237.70, subdivision 4a.

Sec. 34. [APPROPRIATION.]

\$ is appropriated from the general fund to the board of pardons, for the fiscal year ending June 30, 1993, to be used to computerize the records maintained by the board and to permit the board to provide statistical analysis of the board's records, as necessary.

Sec. 35. [EFFECTIVE DATE.]

Sections 1, 3, and 5 are effective August 1, 1993. Section 13 is effective the day following final enactment and applies to immunizations administered before, on, or after the effective date. Sections 22 and 23 are effective October 1, 1993, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; modifying provisions concerning patient consent to release of medical records; expanding the administrative subpoena power of the county attorney; making information on closed bank accounts available to authorities investigating worthless check cases; specifying when certain search warrants may be served; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; improving the pardon application procedure; requiring certain reports; appropriating money; amending Minnesota Statutes 1990, sections 13.02, by adding a subdivision; 13.03, by adding subdivisions; 13.04, by adding a subdivision; 13.05, subdivision 4; 72A.20, by adding a subdivision; 270B.14, by adding a subdivision; 388.23, subdivision 1; 611A.20, subdivision 2; 626.14; 638.02, subdivision 2; 638.02, subdivision 4; Minnesota Statutes 1991 Supplement, sections 13.03, subdivision 3; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.05; 638.06; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; 611A; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C."

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. 1681 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1681	2212				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1681 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1681 and insert the language after the enacting clause of S.F. No. 2212, the first engrossment; further, delete the title of H.F. No. 1681 and insert the title of S.F. No. 2212, the first engrossment.

And when so amended H.F. No. 1681 will be identical to S.F. No. 2212, and further recommends that H.F. No. 1681 be given its second reading and substituted for S.F. No. 2212, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the

Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 2565, 684, 2750 and 1934 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2106 and 1681 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Belanger introduced—

Senate Resolution No. 135: A Senate resolution congratulating Joe Bianchi for his achievement in the Tier I State High School Hockey Tournament.

Referred to the Committee on Rules and Administration.

Mr. Halberg introduced—

Senate Resolution No. 136: A Senate resolution congratulating the Burnsville High School Girls Basketball Team on winning the 1992 State High School Class AA Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of the Calendar.

CALENDAR

H.F. No. 2707: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county, and the exchange of certain state-owned lands in Aitkin county.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 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	Mondale	Sams
Benson, J.E.	Finn	Kelly	Morse	Samuelson
Berg	Flynn	Knaak	Neuville	Spear
Berglin	Frank	Kroening	Novak	Stumpf
Bernhagen	Frederickson, D.J.	Laidig	Olson	Terwilliger
Bertram	Frederickson, D.R.	Langseth	Pappas	Traub
Brataas	Gustafson	Larson	Pariseau	Vickerman
Chmielewski	Halberg	Lessard	Piper	Waldorf
Cohen	Hottinger	Luther	Pogemiller	
Dahl	Hughes	Marty	Price	

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. 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. 2547, 2380 and H.F. Nos. 2924, 1996, 1852, 2572, 1833, 2034, 2081, 2082, 1416, 2683, 2792, 2732, which the committee recommends to pass.

S.F. No. 2316, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Page 2, after line 5, insert:

"The court shall invalidate the driver's license or permit in such a way that no identifying information is destroyed."

Page 2, delete lines 22 to 26 and insert:

"of 0.04 or more. The officer shall *either*:

(1) take the *driver's* license or permit ~~of the driver~~, if any, and issue a temporary license, effective only for seven days. ~~The peace officer~~, and shall send ~~the person's driver's license~~ it to the commissioner of public safety along with the certificate required by subdivision 4; *or*

(2) *invalidate the driver's license or permit in such a way that no identifying information is destroyed."*

The motion prevailed. So the amendment was adopted.

S.F. No. 2233, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Page 2, after line 6, insert:

"Sec. 3. Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS.] In addition to requirements of other laws relating to watercraft, it is unlawful to operate or to permit the operation of a personal watercraft:

(1) without each person on board the personal watercraft wearing a United States Coast Guard approved Type I, II, III, or V personal flotation device;

(2) between sunset and 8:00 a.m.;

(3) within 100 feet of a shoreline, dock, swimmer, or swimming diving raft or a moored, anchored, or nonmotorized watercraft at greater than slow-no wake speed;

(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless:

(i) an observer is on board; or

(ii) the personal watercraft is equipped with factory-installed mirrors that are integrated into the body design of the watercraft and give the operator a wide field of vision to the rear;

(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;

(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;

(7) to chase or harass wildlife;

(8) through emergent or floating vegetation at other than a slow-no wake speed;

(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 100 feet of the other watercraft; or

(10) in any other manner that is not reasonable and prudent.”

Page 2, line 8, delete “Section 1 is” and insert “Sections 1 and 3 are”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert “allowing towing of persons with personal watercraft equipped with rearview mirrors;”

Page 1, line 8, before the period, insert “; Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1”

The motion prevailed. So the amendment was adopted.

H.F. No. 2186, which the committee recommends to pass, subject to the following motion:

Mr. Marty moved that the amendment made to H.F. No. 2186 by the Committee on Rules and Administration in the report adopted March 26, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2031, which the committee recommends to pass with the following amendment offered by Ms. Reichgott:

Amend H.F. No. 2031, the unofficial engrossment, as follows:

Page 4, line 15, after “land” insert “provided that if the resulting market value increase over the prior assessment is less than 100 percent, then the market value of each individual lot shall be the lesser of:

(1) the market value of each individual lot based upon the highest and best use of the property as platted land; or

(2) 200 percent of the prior assessment year's market value”

Page 4, line 20, delete “one year has” and insert “two years have”

The motion prevailed. So the amendment was adopted.

S.F. No. 2274, which the committee reports progress, subject to the following motions:

Mr. Waldorf moved to amend S.F. No. 2274 as follows:

Page 10, delete section 16

Re-number the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Neuville moved to amend S.F. No. 2274 as follows:

Page 8, line 3, delete "and"

Page 8, line 6, before the period, insert "": and

(11) persons employing three or fewer employees, including the employer"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	Moe, R. D.	Sams
Beckman	Day	Johnson, J.B.	Mondale	Stumpf
Benson, D.D.	Finn	Johnston	Morse	Terwilliger
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Vickerman
Berg	Frederickson, D.R.	Langseth	Pariseau	
Bernhagen	Gustafson	Lessard	Pogemiller	
Bertram	Halberg	Mehrkens	Price	
Brataas	Hottinger	Metzen	Renneke	

Those who voted in the negative were:

Belanger	DeCramer	Kroening	Novak	Reichgott
Berglin	Flynn	Luther	Olson	Solon
Cohen	Frank	Marty	Pappas	Traub
Dahl	Kelly	McGowan	Piper	
Davis	Knaak	Merriam	Ranum	

The motion prevailed. So the amendment was adopted.

S.F. No. 2274 was then progressed.

S.F. No. 2194, which the committee reports progress, subject to the following motions:

Ms. Reichgott moved to amend S.F. No. 2194 as follows:

Page 5, line 27, delete "or town"

Page 5, line 28, after the comma, insert "*or town with a population of more than 2,500 with an annual revenue of \$500,000 or more,*"

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend S.F. No. 2194 as follows:

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "complement of" and insert "authorizing two additional deputies in"

The motion prevailed. So the amendment was adopted.

Mr. Benson, D.D. moved to amend S.F. No. 2194 as follows:

Page 9, after line 7, insert:

“Sec. 16. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution, article IV, section 4, and article V, sections 2 and 4, is proposed to the people.

If the amendment is adopted, article IV, section 4, will read:

Sec. 4. Representatives shall be chosen for a term of two years, except to fill a vacancy. Senators shall be chosen for a term of four years, except to fill a vacancy and except there shall be an entire new election of all the senators at the first election of representatives after each new legislative apportionment provided for in this article. *No person may be elected to a term that would cause the person to serve more than ten consecutive years in the legislature.* The governor shall call elections to fill vacancies in either house of the legislature.

article V, section 2, will read:

Sec. 2. The term of office for the governor and lieutenant governor is four years and until a successor is chosen and qualified. *No person may be elected to three consecutive terms as governor or to three consecutive terms as lieutenant governor.* Each shall have attained the age of 25 years and, shall have been a bona fide resident of the state for one year next preceding his election, and shall be a citizen of the United States.

and article V, section 4, will read:

Sec. 4. The term of office of the secretary of state, treasurer, attorney general and state auditor is four years and until a successor is chosen and qualified. *No person may be elected to three consecutive terms in one of the offices of secretary of state, state treasurer, attorney general, or state auditor.* The duties and salaries of the executive officers shall be prescribed by law.

Sec. 17. [SCHEDULE AND QUESTION.]

The amendment shall be submitted to the people at the 1992 general election.

Terms served pursuant to elections in 1992 or prior years shall be disregarded in the determination of the limits imposed by the amendment. The question submitted to the people shall be:

“Shall the Minnesota Constitution be amended to place limits on the terms of office of state legislators and executive officers?”

Yes”
No”

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

Ms. Reichgott 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 Senate?”

The roll was called and there were yeas 38 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Sams
Beckman	Dicklich	Langseth	Pappas	Solon
Berg	Finn	Lessard	Piper	Stumpf
Berglin	Flynn	Luther	Pogemiller	Traub
Bertram	Frank	Marty	Price	Vickerman
Chmielewski	Hottinger	Merriam	Ranum	Waldorf
Cohen	Johnson, D.J.	Metzen	Reichgott	
Dahl	Kelly	Moe, R.D.	Riveness	

Those who voted in the negative were:

Belanger	Day	Johnston	Neuville	Terwilliger
Benson, D.D.	Frederickson, D.R.	Knaak	Novak	
Benson, J.E.	Gustafson	Laidig	Olson	
Bernhagen	Halberg	McGowan	Pariseau	
Brataas	Johnson, D.E.	Mehrkens	Renneke	

The decision of the Chair was sustained.

S.F. No. 2194 was then progressed.

S.F. No. 430, which the committee recommends to pass with the following amendment offered by Mr. Morse:

Page 1, line 13, delete "(g)" and insert "(f)"

Page 1, delete lines 16 to 26

Page 2, delete line 1

Reletter the paragraphs in sequence

Page 2, delete lines 13 to 25 and insert:

"Subd. 2. [PREMIUM TAX AMOUNT.] Every self-insurer who owns, leases, or operates a motor vehicle required to be registered or licensed in this state or principally garaged in this state for at least two months in the applicable calendar year shall pay an annual amount for each vehicle of:

(1) \$15 for a private passenger vehicle as defined in section 65B.001, subdivision 3, or a utility vehicle as defined in section 65B.001, subdivision 4, not including a taxi; or

(2) \$25 for a taxi or any other self-insured vehicle not covered by clause (1).

The amount required under this subdivision is payable no later than July 1, annually, to the commissioner of revenue. A late payment penalty of \$10 a vehicle is assessed if the amount is not paid on or before July 1, and an additional amount equal to the original payment amount if the total amount is not paid until after December 1 of the same year. A self-insurer who is more than six months delinquent in paying the amount due must be referred to the commissioner of commerce for action, which may include revocation of the self-insured's self-insurer status."

The motion prevailed. So the amendment was adopted.

S.F. No. 2523, which the committee reports progress, subject to the following motion:

Mr. Waldorf moved to amend S.F. No. 2523 as follows:

Page 13, line 24, after the period, insert "*Minnesota Rules, part 9503.0170, subpart 6, item D, is repealed.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2523 was then progressed.

S.F. No. 1935, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 6, line 10, after the period, insert "*The recalculated administrative expenses under section 1 are effective for special school district No. 1 on July 1, 1992.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1821, which the committee recommends to pass with the following amendments offered by Ms. Berglin, Messrs. Mondale, Riveness and Spear:

Ms. Berglin moved to amend S.F. No. 1821 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 257.072, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF CHILD-PLACING AGENCIES.] Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the order of preference prescribed by section 260.181, subdivision 3, and the *Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923*;

(a) *In implementing the order of preference, an authorized child-placing agency may disclose private or confidential data, as defined in section 13.02, to relatives of the child for the purpose of locating a suitable placement. The agency shall disclose only data that is necessary to facilitate implementing the preference. If a parent makes an explicit request that the relative preference not be followed, the agency shall bring the matter to the attention of the court to determine whether the parent's request is consistent with the best interests of the child and the agency shall not contact relatives unless ordered to do so by the juvenile court; and*

(b) *In implementing the order of preference, the authorized child-placing agency shall develop written standards for determining the suitability of proposed placements. The standards need not meet all requirements for foster care licensing, but must ensure that the safety, health, and welfare of the child is safeguarded. In the case of an Indian child, the standards to be applied must be the prevailing social and cultural standards of the Indian child's community, and the agency shall defer to tribal judgment as to suitability of a particular home when the tribe has intervened pursuant to the Indian Child Welfare Act;*

(2) have a written plan for recruiting minority adoptive and foster families. The plan must include (a) strategies for using existing resources in minority communities, (b) use of minority outreach staff wherever possible, (c) use of minority foster homes for placements after birth and before adoption, and (d) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families of minority children;

(4) if located in an area with a significant minority population, have a written plan for employing minority social workers in adoption and foster care. The plan must include staffing goals and objectives; ~~and~~

(5) ensure that adoption and foster care workers attend training offered or approved by the department of human services regarding cultural diversity and the needs of special needs children; and

(6) *develop and implement procedures for implementing the requirements of the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.*

Sec. 2. Minnesota Statutes 1990, section 259.255, is amended to read:
259.255 [PROTECTION OF HERITAGE OR BACKGROUND.]

The policy of the state of Minnesota is to ensure that the best interests of the child are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in adoption placements. For purposes of intercountry adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.

The authorized child placing agency shall give preference, in the absence of good cause to the contrary, to placing the child with (a) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, (b) a family with the same racial or ethnic heritage as the child, or, if that is not feasible, (c) a family of different racial or ethnic heritage from the child which is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or clauses (a) and (b) not be followed, the authorized child placing agency shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the agency shall place the child with a family that also meets the genetic parent's religious preference. Only if no family is available that is described in clause (a) or (b) may the agency give preference to a family described in clause (c) that meets the parent's religious preference.

Sec. 3. Minnesota Statutes 1990, section 259.28, subdivision 2, is amended to read:

Subd. 2. [PROTECTION OF HERITAGE OR BACKGROUND.] The policy of the state of Minnesota is to ensure that the best interests of children are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in adoption placements. For purposes of intercountry adoptions, due consideration is deemed to have occurred if the appropriate authority in the child's country of birth has approved the placement of the child.

~~In the adoption of a child of minority racial or minority ethnic heritage.~~ In reviewing adoptive placement, the court shall consider preference, and in determining appropriate adoption, the court shall give preference, in the absence of good cause to the contrary, to (a) a relative or relatives of the child, or, if that would be detrimental to the child or a relative is not available, to (b) a family with the same racial or ethnic heritage as the child, or if that is not feasible, to (c) a family of different racial or ethnic heritage from the child that is knowledgeable and appreciative of the child's racial or ethnic heritage.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall place the child with a family that also meets the genetic parent's religious preference. Only if no family is available as described in clause (a) or (b) may the court give preference to a family described in clause (c) that meets the parent's religious preference.

Sec. 4. Minnesota Statutes 1990, section 259.455, is amended to read:
259.455 [FAMILY RECRUITMENT.]

Each authorized child placing agency shall make special efforts to recruit an adoptive family from among the child's relatives, except as authorized in section 259.28, subdivision 2, and among families of the same ~~minority~~ racial or ~~minority~~ ethnic heritage. Special efforts include contacting and working with community organizations and religious organizations, utilizing local media and other local resources, and conducting outreach activities. The agency may accept any gifts, grants, offers of services, and other contributions to use in making special recruitment efforts.

Sec. 5. Minnesota Statutes 1990, section 260.181, subdivision 3, is amended to read:

Subd. 3. [~~PROTECTION OF RACIAL OR ETHNIC HERITAGE; OR RELIGIOUS AFFILIATION BACKGROUND.~~] The policy of the state is to ensure that the best interests of children are met by requiring due consideration of the child's ~~minority~~ race or ~~minority~~ ethnic heritage in foster care placements.

The court, in transferring legal custody of any child or appointing a guardian for the child under the laws relating to juvenile courts, shall place the child, in the following order of preference, in the absence of good cause to the contrary, in the legal custody or guardianship of an individual who (a) is the child's relative, or if that would be detrimental to the child or a relative is not available, who (b) is of the same racial or ethnic heritage as the child, or if that is not possible, who (c) is knowledgeable and appreciative of the child's racial or ethnic heritage. The court may require the county welfare agency to continue efforts to find a guardian of the child's ~~minority~~ racial or ~~minority~~ ethnic heritage when such a guardian is not immediately available. For purposes of this subdivision, "relative" includes members of a child's extended family and important friends with whom the child has resided or had significant contact.

If the child's genetic parent or parents explicitly request that the preference described in clause (a) or in clauses (a) and (b) not be followed, the court shall honor that request consistent with the best interests of the child.

If the child's genetic parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the genetic parent or parents, in following the preferences in clause (a) or (b), the court shall order placement of the child with an individual who meets the genetic parent's religious preference. Only if no individual is available who is described in clause (a) or (b) may the court give preference to an individual described in clause (c) who meets

the parent's religious preference.

Sec. 6. [DISPOSITIONS STUDY.]

The commissioner of human services shall examine issues raised by the alternative disposition recommendations made in the report prepared pursuant to Laws 1990, chapter 542, section 39, in consultation with a multidisciplinary task force that includes representatives of foster parents. By January 15, 1993, the commissioner shall report and make recommendations to the legislature on:

(1) the current practice and level of compliance with the placement preferences in Minnesota Statutes for protection of a child's heritage or background and the impact of alternative dispositions on the placement preferences;

(2) a process for ongoing monitoring of compliance with the placement preferences and possible sanctions for a failure to comply with the preferences;

(3) the need for establishing standards for social work practices for implementing the placement preferences;

(4) licensing and funding requirements that affect alternative disposition placements, the impact of disparate payment rates between foster care and other potential caretakers, and alternatives for establishing subsidized permanent placements without ongoing case management and review; and

(5) programs and resources to facilitate early intervention and prevention of out-of-home placements.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; and 260.181, subdivision 3."

Mr. Mondale moved to amend the Berglin amendment to S.F. No. 1821 as follows:

Page 1, after line 2, insert:

"Section 1. Minnesota Statutes 1990, section 257.025, is amended to read:

257.025 [CUSTODY DISPUTES.]

(a) In any proceeding where two or more parties seek custody of a child the court shall consider and evaluate all relevant factors in determining the best interests of the child, including the following factors:

- (1) the wishes of the party or parties as to custody;
- (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- (3) the child's primary caretaker;
- (4) the intimacy of the relationship between each party and the child;

(5) the interaction and interrelationship of the child with a party or parties, siblings, and any other person who may significantly affect the child's best interests;

(6) the child's adjustment to home, school, and community;

(7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(8) the permanence, as a family unit, of the existing or proposed custodial home;

(9) the mental and physical health of all individuals involved;

(10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture, religion, or creed, if any;

(11) the child's cultural background; and

(12) the effect on the child of the actions of an abuser, if related to domestic abuse as defined in section 518B.01, that has occurred between the parents or the parties.

The court may not use one factor to the exclusion of all others. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The fact that the parents of the child are not or were never married to each other shall not be determinative of the custody of the child.

(c) The court shall not consider *a disability, as defined in section 363.01, of a proposed custodian or the child or conduct of a proposed custodian that does not affect the custodian's relationship to the child.*

(d) The court shall consider evidence of a violation of section 609.507 in determining the best interests of the child.

(e) A person may seek custody of a child by filing a petition or motion pursuant to section 518.156.

(f) Section 518.619 applies to this section."

Page 5, after line 24, insert:

"Sec. 6. Minnesota Statutes 1990, section 518.17, subdivision 1, is amended to read:

Subdivision 1. [THE BEST INTERESTS OF THE CHILD.] (a) "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

(1) the wishes of the child's parent or parents as to custody;

(2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;

(3) the child's primary caretaker;

(4) the intimacy of the relationship between each parent and the child;

(5) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;

- (6) the child's adjustment to home, school, and community;
- (7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;
- (8) the permanence, as a family unit, of the existing or proposed custodial home;
- (9) the mental and physical health of all individuals involved;
- (10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;
- (11) the child's cultural background; and
- (12) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents.

The court may not use one factor to the exclusion of all others. The primary caretaker factor may not be used as a presumption in determining the best interests of the child. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The court shall not consider *a disability, as defined in section 363.01, of a proposed custodian or the child or* conduct of a proposed custodian that does not affect the custodian's relationship to the child."

Renumber the sections in sequence and correct the internal references

Amend the title amendment accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Riveness moved to amend the Berglin amendment to S.F. No. 1821 as follows:

Page 1, after line 2, insert:

"Section 1. Minnesota Statutes 1990, section 257.071, subdivision 1, is amended to read:

Subdivision 1. [PLACEMENT; PLAN.] A case plan shall be prepared within 30 days after any child is placed in a residential facility by court order or by the voluntary release of the child by the parent or parents.

For purposes of this section, a residential facility means any group home, family foster home or other publicly supported out-of-home residential facility, including any out-of-home residential facility under contract with the state, county or other political subdivision, or any agency thereof, to provide those services.

For the purposes of this section, a case plan means a written document which is ordered by the court or which is prepared by the social service agency responsible for the residential facility placement and is signed by the parent or parents, or other custodian, of the child, the child's legal guardian, the social service agency responsible for the residential facility placement, and, if possible, the child. The document shall be explained to all persons involved in its implementation, including the child who has signed the document, and shall set forth:

- (1) The specific reasons for the placement of the child in a residential

facility, including a description of the problems or conditions in the home of the parent or parents which necessitated removal of the child from home;

(2) The specific actions to be taken by the parent or parents of the child to eliminate or correct the problems or conditions identified in clause (1), and the time period during which the actions are to be taken;

(3) The financial responsibilities and obligations, if any, of the parents for the support of the child during the period the child is in the residential facility;

(4) The visitation rights and obligations of the parent or parents during the period the child is in the residential facility;

(5) The social and other supportive services to be provided to the parent or parents of the child, the child, and the residential facility during the period the child is in the residential facility;

(6) The date on which the child is expected to be returned to the home of the parent or parents;

(7) The nature of the effort to be made by the social service agency responsible for the placement to reunite the family; and

(8) Notice to the parent or parents that placement of the child in foster care may result in termination of parental rights but only after notice and a hearing as provided in chapter 260.

The parent or parents and the child each shall have the right to legal counsel in the preparation of the case plan and shall be informed of the right at the time of placement of the child. The child shall also have the right to a guardian ad litem. If unable to employ counsel from their own resources, the court shall appoint counsel upon the request of the parent or parents or the child or the child's legal guardian. The parent or parents may also receive assistance from any person or social service agency in preparation of the case plan.

After the plan has been agreed upon by the parties involved, the foster parents shall be fully informed of the provisions of the case plan.

When an agency accepts a child for placement, the agency shall determine whether the child has had a physical examination by or under the direction of a licensed physician within the 12 months immediately preceding the date when the child came into the agency's care. If there is documentation that the child has had such an examination within the last 12 months, the agency is responsible for seeing that the child has another physical examination within one year of the documented examination and annually in subsequent years. If the agency determines that the child has not had a physical examination within the 12 months immediately preceding placement, the agency shall ensure that the child has the examination within 30 days of coming into the agency's care and once a year in subsequent years."

Renumber the sections in sequence and correct the internal references

Amend the title amendment accordingly

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Spear moved to amend the Berglin amendment to S.F. No. 1821 as follows:

Page 5, line 26, delete "*The commissioner of human services*" and insert

"A multidisciplinary task force"

Page 5, line 29, delete everything after "39" and insert a period

Page 5, line 30, delete everything before the period and insert *"The members of the task force shall be appointed by the speaker of the house of representatives and the subcommittee on committees of the committee on rules and administration of the senate"*

Page 5, line 31, delete *"commissioner"* and insert *"task force"*

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Berglin amendment, as amended.

The motion prevailed. So the amendment, as amended, was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 410: A bill for an act relating to retirement; allowing payment of certain premiums on tax sheltered annuities; as an exception to the prohibition on supplemental pension plans; amending Minnesota Statutes 1990, section 356.24.

Reports the 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 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

Subdivision 1. [RESTRICTION; EXCEPTIONS.] (a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 354B.01 to 354B.04;

(3) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(4) for employees other than personnel employed by the state university board or the community college board and covered by section 136.80, subdivision 1, to:

(i) the state of Minnesota deferred compensation plan under section 352.96-; or

(ii) *payment of the applicable portion of the premium on a tax sheltered annuity contract qualified under section 403(b) of the federal Internal Revenue Code, purchased from a qualified insurance company; if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee; or*

(5) for personnel employed by the state university board or the community college board and covered by section 136.80, subdivision 1, to the supplemental retirement plan under sections 136.80 to 136.85, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

(b) *A qualified insurance company is a company that:*

(1) *meets the definition in section 60A.02, subdivision 4;*

(2) *is licensed to engage in life insurance or annuity business in the state;*

(3) *is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and*

(4) *is determined by the state board of investment to be among the ten applicant insurance companies with competitive options and investment returns on annuity products. The state board of investment determination must be made on or before January 1, 1993, and must be reviewed periodically. The state board of investment shall retain actuarial services to assist it in this determination. The state board of investment shall establish a budget for its costs in the determination process and shall charge a proportional share of that budget to each insurance company selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The executive director of the state board of investment shall establish procedures to carry out this paragraph.*

(c) *A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under clause (4) that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.*

~~(b)~~ *Subd. 2. [LIMIT ON CERTAIN CONTRIBUTIONS OR BENEFIT CHANGES.] No change in benefits or employer contributions in a supplemental pension plan to which this section applies after May 6, 1971, is effective without prior legislative authorization."*

Delete the title and insert:

"A bill for an act relating to retirement; public employee retirement savings programs; authorizing an employer matching contribution to certain tax

sheltered annuity contracts; amending Minnesota Statutes 1990, section 356.24.”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2599: A bill for an act relating to retirement; Columbia Heights paid firefighters relief association; authorizing the termination of the relief association; providing a procedure for the conversion of retirement benefits for the active and retired membership; continuing certain state aid payments; amending Laws 1965, chapter 605, sections 5, 16, 18 and 31; Laws 1975, chapter 424, section 13; and Laws 1977, chapter 374, sections 39, 40, 45, 47, 49, 51, as amended, and 54; repealing Laws 1965, chapter 605, sections 1, 2, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, and 30; Laws 1975, chapter 424, sections 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, and 12; Laws 1977, chapter 374, sections 38, 48, 52, 53, 56, 57, 58, and 59; Laws 1978, chapter 563, sections 29 and 30; Laws 1979, chapter 201, section 40; and Laws 1981, chapter 224, section 267.

Reports the same back with the recommendation that the bill be amended as follows:

Page 16, after line 14, insert:

“ARTICLE 3

COLUMBIA HEIGHTS POLICE RELIEF ASSOCIATION BENEFIT AND RELATED CHANGES

Section 1. Laws 1977, chapter 374, section 8, subdivision 1, is amended to read:

Subdivision 1. The words “salary of a top patrolman” and “top patrolman’s salary” as used in this act shall mean all monthly wages and salaries subject to Minnesota state or federal withholding for tax purposes of a top patrolman employed by the city of Columbia Heights on scheduled shifts set by the city of Columbia Heights pursuant to the current terms of any labor agreement between the policeman or his union and the city of Columbia Heights. The terms “salary of a top patrolman” and “top patrolman’s salary” shall exclude payment for overtime work which shall be defined as work performed at the express authorization of the city of Columbia Heights in excess of the policeman’s scheduled shift, any increased amount of pay over the pay of a top patrolman for duties as a detective investigator, payment for volunteer work, payment for court time, payment for call back time which shall be defined as work performed by a policeman who is called to duty during his scheduled off-duty time, ~~payment of education incentive or for longevity~~, payment for clothing, payment for holiday service, night shift pay, emergency duty pay, standby pay or pay for or in lieu of any fringe benefit or term or condition of employment whatsoever other than payment for scheduled shifts. This definition shall be effective retroactive to June 15, 1976.

Sec. 2. [REQUIRED EMPLOYEE CONTRIBUTIONS.]

Each active member of the Columbia Heights police relief association who elects to be covered by the public employees police and fire fund benefit

plan following consolidation under Minnesota Statutes, section 353A.08, shall contribute the member contribution on the person's actual salary that the active member would have contributed to the public employees police and fire fund had the person been a member of the public employees police and fire fund since the start of the person's employment as a police officer by the city of Columbia Heights, reduced by the actual contribution to the relief association made by the member. The payment is due within 180 days of the public employees police and fire fund benefit plan election, plus interest from the midpoint of the member's period of service as a Columbia Heights police officer at an annual compound rate of 8.5 percent.

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective upon an affirmative vote by the city of Columbia Heights police relief association to consolidate with the public employees police and fire fund under Minnesota Statutes, section 353A.04, and on approval of sections 1 and 2 by the Columbia Heights city council and compliance with Minnesota Statutes, section 645.021. Section 1 applies only to benefits payable and contributions made after that date. Notwithstanding Minnesota Statutes, section 645.021, subdivision 3, the Columbia Heights city council has until December 31, 1993, to approve sections 1 and 2."

Amend the title as follows:

Page 1, line 3, after "firefighters" insert "and police" and delete "association" and insert "associations"

Page 1, line 4, after "the" insert "firefighters"

Page 1, line 7, after the semicolon, insert "exclusions from salary in computing police relief association retirement benefits:"

Page 1, line 10, after "sections" insert "8, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 410 and 2599 were 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 bill was read the first time and referred to the committee indicated.

Mr. Gustafson introduced—

S.F. No. 2783: A bill for an act relating to property tax aids; modifying disparity reduction aid to counties; extending the taconite homestead credit to certain property; amending Minnesota Statutes 1990, sections 273.134; 273.135, subdivisions 1 and 3, and by adding a subdivision; 273.136, subdivision 2; and 275.07, subdivision 3; Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that S.F. No. 2378 be withdrawn from the Committee on Finance and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

MEMBERS EXCUSED

Messrs. Metzen and Solon were excused from the Session of today from 12:00 noon to 1:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 1, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

EIGHTY-NINTH DAY

St. Paul, Minnesota, Wednesday, April 1, 1992

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 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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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 Senate Files, herewith returned: S.F. Nos. 1671, 2124, 2301, 1997 and 2001.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 31, 1992

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. 2637: A bill for an act relating to motor carriers; regulating courier services carriers; amending Minnesota Statutes 1990, section 221.011, subdivision 25.

Senate File No. 2637 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 31, 1992

CONCURRENCE AND REPASSAGE

Ms. Pappas moved that the Senate concur in the amendments by the House to S.F. No. 2637 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2637 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the bill, as amended.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Bertram	Frederickson, D.R.	Larson	Pariseau	Traub
Brataas	Gustafson	Lessard	Piper	Vickerman
Chmielewski	Halberg	Luther	Pogemiller	Waldorf
Cohen	Hottinger	McGowan	Price	
Dahl	Hughes	Mehrkens	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

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. 1619: A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

Senate File No. 1619 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 31, 1992

Mr. Marty moved that the Senate do not concur in the amendments by the House to S.F. No. 1619, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1903:

H.F. No. 1903: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Simoneau, Rice, Carlson, Kelso and Anderson, R. have been appointed as such committee on the part of the House.

House File No. 1903 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 31, 1992

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1903, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2505, 2647, 2250, 2257, 1738, 1873, 1980, 2000, 2060, 2190, 2108, 2415, 2750, 2181, 2211 and 1910.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 31, 1992

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 2505: A bill for an act relating to telephones; allowing telephone companies to offer caller identification service to its subscribers; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Judiciary.

H.F. No. 2647: 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 11A.23, subdivision 2; 13.791; 82B.20, subdivision 2; 86B.115; 86B.601, subdivision 1; 88.45; 103I.112; 115A.63, subdivision 3; 115A.82; 116J.70, subdivision 2a; 176.1041, subdivision 1; 176.361, subdivision 2; 177.23, subdivision 7; 183.38, subdivision 1; 214.01, subdivision 2; 268A.09, subdivision 7; 290.10; 297A.15, subdivision 5; 298.402; 298.405, subdivision 1; 326.405; 326.43; 348.13; 352.116, subdivision 3b; 352B.10, subdivision 5; 352B.105; 356.24; 356.82; 466.131; 504.02; 514.53; 517.08, subdivision 1c; and 609.0331; Minnesota Statutes 1991 Supplement, sections 3.873, subdivision 6; 16B.122, subdivision 2; 60D.20, subdivision 1; 60G.01, subdivision 2; 116.072, subdivision 1; 116J.693, subdivision 2; 124.19, subdivision 1; 124.479; 169.983; 171.06, subdivision 3; 179A.10, subdivision 2; 256.969, subdivisions 2 and 3a; 256B.74, subdivision 2; 256H.03, subdivision 5; 272.01, subdivision 2; 272.02, subdivision 1; 275.50, subdivision 5; 340A.4055; 457A.01, subdivision 5; 473.845, subdivision 3; and 611A.02, subdivision 2; reenacting Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f; repealing Minnesota Statutes 1990, section 326.01, subdivision 20; Laws 1989, chapter 282, article 2, section 188; Laws 1991, chapters 182, section 1; and 305, section 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2622, now on General Orders.

H.F. No. 2250: A bill for an act relating to public safety officer's survivor benefits; altering a definition; providing a claim filing limitation and data classification; amending Minnesota Statutes 1990, section 299A.41, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on Finance.

H.F. No. 2257: A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain employee of independent school district No. 197.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2764, now on General Orders.

H.F. No. 1738: A bill for an act relating to family law; clarifying certain rights of grandparents to visitation; modifying the requirements for a person other than a parent who seeks child custody or visitation; amending Minnesota Statutes 1990, sections 257.022, subdivisions 2 and 2a; 518.156, subdivision 1; and 518.175, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1700, now on General Orders.

H.F. No. 1873: A bill for an act relating to public employment; requiring public employers to include certain former employees in the same insurance pool as active employees; amending Minnesota Statutes 1990, sections 43A.27, subdivision 3; and 471.61, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1731, now on General Orders.

H.F. No. 1980: A bill for an act relating to insurance; regulating accidental death benefits; regulating the structure and functions of the Minnesota automobile insurance plan; amending Minnesota Statutes 1990, sections 61A.011, by adding a subdivision; 65B.01; 65B.02, subdivisions 1, 4, and 7; 65B.03, subdivision 1; 65B.04, subdivisions 3 and 4; 65B.05; 65B.06; 65B.07, subdivision 4; 65B.08, subdivisions 1 and 2; 65B.09; 65B.10; and 65B.12, subdivision 1; repealing Minnesota Statutes 1990, sections 65B.04, subdivisions 1 and 2; and 65B.07, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1922, now on General Orders.

H.F. No. 2000: A bill for an act relating to probate; changing provisions relating to merger of trusts, certificates of trust, affidavits of trustees, and powers of attorney; amending Minnesota Statutes 1990, sections 508.62; 508A.62; 523.02; 523.03; 523.07; 523.08; 523.09; 523.11, subdivisions 1 and 2; 523.17; 523.18; 523.19; 523.21; 523.22; 523.23, subdivisions 1, 2, 3, and by adding subdivisions; 523.24, subdivisions 1, 7, 8, and 9; Minnesota Statutes 1991 Supplement, section 518.58, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 501B; and 523; repealing Minnesota Statutes 1990, section 523.25.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1859, now on General Orders.

H.F. No. 2060: A bill for an act relating to human services; exempting interpretive guidelines published by the commissioner of human services from the definition of rules; exempting intermediate care facilities for persons with mental retardation or related conditions from specific Minnesota Rules; authorizing the commissioner to make, adopt, and publish interpretive guidelines; directing the commissioner to revise Minnesota Rules, parts 9525.0215 to 9525.0355; directing the commissioner to submit a report; amending Minnesota Statutes 1991 Supplement, section 14.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1965.

H.F. No. 2190: A bill for an act relating to economic development; providing that Ramsey county may act as a housing and redevelopment authority for one year; amending Minnesota Statutes 1990, section 469.004, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 2108: A bill for an act relating to agriculture; requiring vendors at certain events to sell food and beverages grown, produced, or prepared in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

H.F. No. 2415: A bill for an act relating to human services; prohibiting restrictions on the right to provide licensed day care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Referred to the Committee on Finance.

H.F. No. 2750: A bill for an act relating to human rights; defining certain terms; clarifying certain discriminatory practices; amending Minnesota Statutes 1990, sections 363.01, subdivision 35, and by adding subdivisions;

363.02, subdivision 1; 363.03, subdivisions 1, 2, 3, 4, and 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2468, now on General Orders.

H.F. No. 2181: A bill for an act relating to data practices; classifying government data; providing for access to and charges for patient's medical records; providing for the treatment of records of certain criminal convictions; altering the procedures of the pardon board and treatment of its records; providing criminal background checks of professional and volunteer child care providers; providing for subpoena powers of county attorneys; changing the time when an arrest warrant may be served; amending Minnesota Statutes 1990, sections 13.08, subdivision 1; 13.46, subdivision 7; 144.335, by adding subdivisions; 147.161, subdivision 3; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 363.03, subdivision 1; 388.23, subdivision 1; 609.168; 626.14; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.46, subdivision 2; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; 357; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C.

Referred to the Committee on Finance.

H.F. No. 2211: A bill for an act relating to crime; clarifying certain law enforcement powers; creating a permissive inference of possession with respect to a firearm in an automobile; making technical corrections to the eligibility criteria and transfer process applicable to permits to possess a pistol; amending Minnesota Statutes 1990, sections 169.98, subdivision 1a; 299D.06; 624.713, subdivision 1; 624.7131, subdivision 10; and 624.7132, subdivisions 4 and 8; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1847, now on General Orders.

H.F. No. 1910: A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; amending Minnesota Statutes 1990, sections 211B.15, subdivision 1; 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; and 500.24, subdivision 3; proposing coding for

new law as Minnesota Statutes, chapter 322B.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 422. The motion prevailed.

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 422: A bill for an act relating to human services; establishing a board of chemical dependency counselors; licensing and regulating chemical dependency counselors; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 214.01, subdivision 2; and 595.02, subdivision 1; Minnesota Statutes 1991 Supplement, sections 148B.60, subdivision 3; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148B.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [148B.74] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 12, the following terms have the meanings given them.

Subd. 2. [LICENSED CHEMICAL DEPENDENCY COUNSELOR.] “Licensed chemical dependency counselor” means a person who:

(1) represents herself or himself to the public by any title or description of services incorporating the words “licensed chemical dependency counselor”;

(2) offers to render professional chemical dependency counseling services to the general public or groups, organizations, corporations, institutions, or government agencies for compensation, implying that she or he is licensed and trained, experienced, or expert in chemical dependency counseling; and

(3) is licensed under sections 1 to 12 in chemical dependency counseling.

Subd. 3. [OTHER TITLES.] For the purposes of sections 1 to 12, all individuals who practice, as their main vocation, chemical dependency counseling as defined in subdivision 2, regardless of their titles, shall be covered by sections 1 to 12. This includes, but is not limited to, individuals who may refer to themselves as “alcoholism counselor,” “drug abuse therapist,” “chemical dependency recovery counselor,” “chemical dependency relapse prevention planner,” “addiction therapist,” “chemical dependency intervention specialist,” “family chemical dependency counselor,” “chemical health specialist,” “chemical health coordinator,” and “substance abuse counselor.”

Subd. 4. [CHEMICAL DEPENDENCY.] “Chemical dependency” means a condition in which a person pathologically uses alcohol or a controlled substance as defined in chapter 152, accompanied by physical manifestation

of increased tolerance to the chemical or chemicals being used, or withdrawal syndrome following cessation of chemical use.

Subd. 5. [CHEMICAL ABUSE.] "Chemical abuse" means a pattern of inappropriate and harmful use of alcohol or a controlled substance governed by chapter 152. Chemical abuse includes inappropriate and harmful patterns of chemical use that are linked to specific situations in an individual's life such as loss of a job, death of a loved one, or a sudden change in life circumstances. Chemical abuse does not involve a pattern of pathological use, but it may progress to pathological use.

Subd. 6. [ACCREDITED SCHOOL OR EDUCATIONAL PROGRAM OF CHEMICAL DEPENDENCY COUNSELING.] "Accredited school or educational program of chemical dependency counseling" means a school of chemical dependency counseling or other educational program that has been recognized by the commissioner of health.

Subd. 7. [PRIVATE PRACTICE.] "Private practice" means chemical dependency counseling practice conducted by an individual who is either self-employed or a member of a partnership or a group practice, rather than being employed by a public agency or an agency licensed under chapter 245A.

Subd. 8. [TWELVE CORE FUNCTIONS.] "Twelve core functions" means the following services provided in chemical dependency treatment:

- (1) screening;*
- (2) intake;*
- (3) orientation;*
- (4) assessment;*
- (5) treatment planning;*
- (6) counseling;*
- (7) case management;*
- (8) crisis intervention;*
- (9) client education;*
- (10) referral;*
- (11) reports and record keeping; and*
- (12) consultation with other professionals regarding client treatment and services.*

Sec. 2. [148B.75] [CHEMICAL DEPENDENCY ADVISORY COUNCIL.]

Subdivision 1. [CREATION.] (a) The chemical dependency advisory council is created. The council consists of 13 members appointed by the governor.

(b) Membership shall be as follows:

- (1) Seven members shall be licensed chemical dependency counselors.*
- (2) Three members shall be public members as defined by section 214.02.*
- (3) One member shall be a director or coordinator of an accredited chemical dependency counselor training program.*

(4) *One member shall be a former consumer of service who has received services no sooner than three years prior to appointment.*

(5) *One member shall be licensed and appointed by the American Indian advisory committee to the department of human services, chemical dependency office.*

Subd. 2. [DUTIES.]

The council shall study the provision of chemical dependency counseling and advise the commissioner, the profession, and the public.

Sec. 3. [148B.76] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [GENERAL.] The commissioner of health shall:

(a) *adopt and enforce rules for licensure of chemical dependency counselors and for regulation of professional conduct. The rules must be designed to protect the public;*

(b) *adopt rules establishing standards and methods of determining whether applicants and licensed persons are qualified under section 4. The rules must provide for examinations and must establish standards for professional conduct, including adoption of a professional code of ethics;*

(c) *hold examinations at least twice a year to assess applicants' knowledge and skills. The examinations may be written or oral and may be administered by the commissioner or by a nonprofit agency under contract to administer the examinations. Examinations must minimize cultural bias and must be balanced in various theories relative to the practice of chemical dependency;*

(d) *license individuals qualified under sections 1 to 12;*

(e) *issue copies of the rules for licensure to all applicants;*

(f) *establish and implement procedures, including a standard disciplinary process and a code of ethics, to ensure that individuals licensed as chemical dependency counselors will comply with rules;*

(g) *establish, maintain, and publish annually a register of persons licensed;*

(h) *establish initial and renewal application and examination fees sufficient to cover expenses of licensure and enforcement;*

(i) *educate the public about the existence and content of the rules for chemical dependency counselor licensure to enable consumers to file complaints against persons who may have violated the rules; and*

(j) *evaluate the rules in order to refine and improve the methods used to enforce the standards.*

Subd. 2. [CONTINUING EDUCATION COMMITTEE.] The commissioner shall appoint a continuing education committee of five persons, including a chair, which shall advise on the administration of continuing education requirements in section 5, subdivision 2.

Subd. 3. [RESTRICTIONS ON MEMBERSHIP.] A member of the department that carries out functions under this section may not be an officer, employee, or paid consultant of a trade association in the counseling services industry.

Sec. 4. [148B.77] [REQUIREMENTS FOR LICENSURE.]

Subdivision 1. [GENERAL REQUIREMENTS.] The commissioner shall license the individuals qualified under sections 1 to 12 to practice chemical dependency counseling.

Subd. 2. [FEE.] Each applicant shall pay a nonrefundable fee set by the commissioner. Fees paid shall be deposited in the general fund.

Subd. 3. [LICENSURE REQUIREMENTS FOR CHEMICAL DEPENDENCY COUNSELOR; EVIDENCE.] (a) To be licensed as a chemical dependency counselor, an applicant must meet the requirements in clauses (1) to (3).

(1) Except as provided in subdivision 4, the applicant must have received an associate degree including 270 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

(2) The applicant must have completed a written and oral case presentation that demonstrates competence in the 12 core functions.

(3) The applicant must have satisfactorily passed a written examination as established by the commissioner.

(b) To be licensed as a chemical dependency counselor, an applicant must furnish evidence satisfactory to the commissioner that the applicant has met the requirements of paragraph (a).

Subd. 4. [ADDITIONAL REQUIREMENTS.] Beginning five years after the effective date of sections 1 to 12, an applicant for licensure must have received a bachelor's degree in a human services area, and must have completed 480 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

Subd. 5. [EDUCATION AND TRAINING REQUIREMENTS.] Educational programs designed to meet the requirements of this section, as well as continuing education programs under section 6, must include programs designed to enable applicants and licensees to offer chemical dependency counseling that meets the specific needs of diverse racial, sexual, and cultural groups and that recognizes and addresses the link between violence and chemical dependency.

Sec. 5. [148B.78] [LICENSE RENEWAL REQUIREMENTS.]

Subdivision 1. [RENEWAL.] Persons shall renew licenses at the time and in the manner established by the commissioner.

Subd. 2. [CONTINUING EDUCATION.] At the time of renewal, each person shall furnish satisfactory evidence to the commissioner that the person has completed annually at least the equivalent of 40 clock hours of continuing professional postdegree education every two years, in programs approved by the commissioner, and that the person continues to be qualified to practice under sections 1 to 12.

Sec. 6. [148B.79] [SPECIAL REQUIREMENTS; TRANSITION PERIOD.]

Effective two years after the effective date of sections 1 to 12, no person may hold a license unless the person has passed the testing requirements required of new applicants.

For two years from the effective date of sections 1 to 12, the commissioner shall license an applicant who does not meet the requirements in section 4 if the applicant meets one of the following qualifications:

(a) is credentialed as a certified chemical dependency counselor (CCDC) or certified chemical dependency counselor reciprocal (CCDCR) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.;

(b) has three years or 6,000 hours of supervised chemical dependency counselor experience, 270 clock hours of chemical dependency training, 300 hours of chemical dependency practicum, and has successfully completed a written and oral test;

(c) has five years or 10,000 hours of chemical dependency counselor experience as defined by the 12 core functions, 270 clock hours of chemical dependency training, and has successfully completed a written or oral test or is credentialed as a certified chemical dependency practitioner (CCDP) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; or

(d) has seven years or 14,000 hours of supervised chemical dependency counselor experience as defined by the 12 core functions, and 270 clock hours of chemical dependency training with 60 hours of this training occurring within the past five years.

Sec. 7. [148B.80] [RECIPROCITY.]

The commissioner shall license an individual who holds a current license or other credential from another jurisdiction if the commissioner finds that the requirements for that credential are substantially similar to the requirements in sections 1 to 12.

Sec. 8. [148B.81] [NONTRANSFERABILITY.]

A chemical dependency counselor license is not transferable.

Sec. 9. [148B.82] [DENIAL, SUSPENSION, OR REVOCATION.]

Subdivision 1. [GROUNDS.] The commissioner may refuse to license or may suspend, revoke, or restrict the license of an individual if the commissioner determines that a person:

(1) is incompetent to engage in chemical dependency counseling practice or is found to be engaged in chemical dependency counseling practice in a manner harmful or dangerous to a client or the public;

(2) has violated the rules of the commissioner or the statutes the commissioner is empowered to enforce;

(3) has obtained or attempted to obtain a license renewal by bribery or fraudulent misrepresentation;

(4) has knowingly made a false statement on the form required for licensure or renewal; or

(5) has failed to obtain continuing education credits required by the commissioner.

Subd. 2. [RESTORING A LICENSE.] For reasons it finds sufficient, the commissioner may grant a license previously refused, restore a license that has been revoked, or reduce a period of suspension or restriction.

Subd. 3. [ANNUAL REVIEW.] Suspension, revocation, or restriction shall be reviewed by the commissioner at least annually at the request of the person against whom the disciplinary action was taken.

Subd. 4. [APPEALS.] An individual whose application for a license has

been denied, or an individual whose license has been suspended, revoked, or restricted, may appeal the decision of the commissioner and is entitled to a contested case hearing under chapter 14.

Sec. 10. [148B.83] [PROHIBITION AGAINST UNLICENSED USE OF TITLES: PENALTY.]

After the commissioner adopts rules, no individual shall hold herself or himself out to be a "chemical dependency counselor" or employ that or any of the other terms stated in section 1, subdivision 3, unless that individual is licensed. Hospital chemical dependency counselors who are not licensed under sections 1 to 12 may use the title "hospital chemical dependency counselor" while acting within the scope of their employment. City, county, and state agency chemical dependency counselors who are not licensed under sections 1 to 12 may use the title "city agency chemical dependency counselor" or "county agency chemical dependency counselor" or "state agency chemical dependency counselor" while acting within the scope of their employment.

Sec. 11. [148B.84] [EXCEPTIONS TO LICENSING REQUIREMENT.]

Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 1 to 10 shall prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes, but is not limited to, licensed physicians, registered nurses, licensed practical nurses, licensed psychologists, members of the clergy, attorneys, probation officers, marriage and family therapists, social workers, professional counselors, school counselors, and registered occupational therapists or certified occupational therapist assistants. These persons must not, however, use a title incorporating the words "chemical dependency counselor" or "licensed chemical dependency counselor" or otherwise hold themselves out to the public by any title or description stating or implying that they are licensed to engage in the practice of chemical dependency counseling.

Subd. 2. [STUDENTS.] Nothing in sections 1 to 10 shall prevent students enrolled in an accredited school of chemical dependency counseling from engaging in the practice of chemical dependency counseling under qualified supervision in an accredited school of chemical dependency counseling.

Subd. 3. [CITY, COUNTY, AND STATE AGENCY CHEMICAL DEPENDENCY COUNSELORS.] The licensing of city, county, and state agency chemical dependency counselors shall be voluntary. City, county, and state agencies employing chemical dependency counselors shall not be required to employ licensed chemical dependency counselors, nor shall they require their chemical dependency counselors to be licensed.

Subd. 4. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NON-PROFIT AGENCIES WITH A MINORITY FOCUS.] The licensure of chemical dependency counselors who are employed by federally recognized tribes, or by private, nonprofit agencies whose primary service focus addresses ethnic minority populations, and who are themselves members of ethnic minority populations within the agencies, shall be voluntary.

Subd. 5. [CITIES OF 5,000 OR LESS.] The licensure of chemical dependency counselors in cities with a population of 5,000 people or less is voluntary.

Subd. 6. [HOSPITAL CHEMICAL DEPENDENCY COUNSELORS.] The licensing of hospital chemical dependency counselors shall be voluntary.

Hospitals employing chemical dependency counselors shall not be required to employ licensed chemical dependency counselors, nor shall they require their chemical dependency counselors to be licensed.

Sec. 12. [148B.85] [PENALTY.]

A person who violates a provision of sections 1 to 11 is guilty of a misdemeanor.

Sec. 13. Minnesota Statutes 1990, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist or consulting psychologist shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity.

(h) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) *Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:*

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect,

abandonment or nonsupport by a parent.

(j) (k) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

“Sexual assault counselor” for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(k) (l) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(l) (m) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

Sec. 14. [APPROPRIATION.]

§ is appropriated from the general fund to the commissioner of health for the purposes of this act.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1992.”

Delete the title and insert:

“A bill for an act relating to human services; licensing and regulating chemical dependency counselors; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 595.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 148B.”

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.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2756 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.
2756	2530				

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. 2709 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.
2709	2483				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2709 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2709 and insert the language after the enacting clause of S.F. No. 2483, the first engrossment; further, delete the title of H.F. No. 2709 and insert the title of S.F. No. 2483, the first engrossment.

And when so amended H.F. No. 2709 will be identical to S.F. No. 2483, and further recommends that H.F. No. 2709 be given its second reading and substituted for S.F. No. 2483, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2435 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.
2435	2700				

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. 419 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.
419	410				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 419 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 419 and insert the language after the enacting clause of S.F. No. 410, the first engrossment; further, delete the title of H.F. No. 419 and insert the title of S.F. No. 410, the first engrossment.

And when so amended H.F. No. 419 will be identical to S.F. No. 410, and further recommends that H.F. No. 419 be given its second reading and substituted for S.F. No. 410, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 2699: A bill for an act relating to state government; department of administration; changing the government data classification of requests for proposals; modifying the encumbrance process for agency construction projects; modifying authority for building maintenance and leasing; changing requirements for certain agency purchases; amending administration of STARS; changing the date for the department of administration to report recycling goals; providing that the department may retain money from successful litigation; amending auditing requirements for noncommercial radio stations; extending the date for relocating the state printing operation; making various technical changes; amending Minnesota Statutes 1990, sections 13.37, subdivision 2; 16A.15, subdivision 3; 16B.09, by adding a subdivision; 16B.121; 16B.24, subdivisions 1, 5, and 6; 16B.31, by adding a subdivision; 16B.33, subdivision 3; 16B.40, subdivision 8; 16B.465, subdivisions 2, 3, and 6; 16B.58, subdivision 5; 129D.14, subdivisions 3, 4, and 6; Minnesota Statutes 1991 Supplement, sections 16B.19, subdivision 2b; 103B.311, subdivision 7; 115A.15, subdivision 9; and 138.94, subdivision 1; and Laws 1991, chapter 345, article 1, section 17, subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Page 3, line 19, delete everything after the period and insert "*The total percentage of preference granted on a contract may not exceed the highest percentage of preference allowed for that contract under any one of these statutory sections.*"

Page 3, delete line 20

Pages 3 and 4, delete section 4 and insert:

“Sec. 3. Minnesota Statutes 1990, section 16B.121, is amended to read:

16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. ~~The commissioner shall apply weighting factors to the recycled content and recyclability criteria in order to give a preferential treatment to those criteria. State agencies shall purchase recycled materials when specifications allow the practical use of the recycled materials and the price does not exceed the price of nonrecycled materials by more than ten percent. If possible, state agencies should purchase materials recycled from waste generated in this state. When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.~~

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program.

Sec. 4. [16B.176] [ADVERTISING SPACE PROVIDED BY RECIPIENTS OF STATE GRANTS.]

A nonprofit organization, governmental entity, or business that receives an appropriation, grant, or aid from the state shall provide programs of state agencies and political subdivisions free advertising or publicity space in one or more of the organization's publications exceeding eight pages. This requirement does not apply to publications distributed only to employees or shareholders of the organization, or to other publications where this publicity or advertising would be inappropriate. The organization providing the space may decide how much to provide. The free advertising or publicity must be provided during the state fiscal year that the grant, aid, or appropriation is received.

Sec. 5. [16B.177] [RECIPIENTS OF SERVICES: ADVERTISING.]

The commissioner shall notify state agencies and political subdivisions of services available under section 4. The commissioner shall maintain a file of advertising or publicity that state agencies and political subdivisions would like to place or develop under section 4. The commissioner shall coordinate requests for space with organizations offering space. State agencies and political subdivisions that receive a legislative appropriation for marketing, publicity, or advertising may not receive space under this section.

Page 5, line 6, after “center,” strike “the”

- Page 5, line 7, delete the new language and strike the comma
- Page 6, lines 18 and 19, delete the new language
- Page 6, line 21, after "*agencies*" delete the comma and insert "*and*"
- Page 6, lines 22 and 23, delete "*, and the Minnesota historical society,*"
- Page 8, line 13, before the period, insert "*involving capital improvements to state buildings*"
- Page 9, line 35, strike "*assistance*" and insert "*advice*"
- Page 14, line 13, delete "*by July 1 to*" and insert "*annually within the deadline prescribed by*"
- Page 14, line 15, delete "*The*"
- Page 14, delete lines 16 to 22 and insert "*If the application and report are not submitted within the deadline prescribed by the commissioner, the grant may be redistributed to the other noncommercial radio stations eligible for a grant under this section.*"
- Page 15, line 3, strike "*hereby*"
- Page 15, lines 5, 6, and 9, delete the new language
- Page 15, line 10, strike "*state*" and insert "*department of administration*"
- Page 15, line 11, before the period, insert "*in accordance with standards established by the society*"
- Page 16, line 44, delete "*monitoring*" and insert "*information clearinghouse*"
- Page 16, after line 46, insert:
- "Sec. 25. [EFFECTIVE DATE.]
- Sections 4 and 5 are effective July 1, 1992, and apply only to contracts entered into and grants, aid, and appropriations received on or after that date. Section 14 is effective July 1, 1992. Sections 1 to 3, 6 to 13, and 15 to 23 are effective the day following final enactment.*"
- Renumber the sections in sequence
- Amend the title as follows:
- Page 1, line 3, delete everything after the semicolon
- Page 1, line 4, delete everything before "*modifying*"
- Page 1, line 8, after the first semicolon, insert "*requiring certain recipients of state money to provide free advertising space for state programs;*"
- Page 1, lines 15 and 16, delete "*13.37, subdivision 2;*"
- Page 1, line 25, before the period, insert "*; proposing coding for new law in Minnesota Statutes, chapter 16B*"
- And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1845: A bill for an act relating to retirement; providing benefit increases for certain public employees; amending Minnesota Statutes 1990, sections 352.115, subdivision 3; 353.29, subdivision 3; 354.44, subdivision 6; and 354A.31, 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 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~4.15~~ percent of salary. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 2. Minnesota Statutes 1990, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] (a) The employer contribution to the fund must be equal to ~~4.29~~ percent of salary.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 3. Minnesota Statutes 1990, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person who became a covered employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) will apply. The employee's average salary, as defined in subdivision 2, multiplied by ~~one~~ 1.1 percent per year of allowable service for the first ten years and ~~4.5~~ 1.6 percent for each later year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

(b) This paragraph applies to a person who has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1. The employee's average salary, as defined in subdivision 2, multiplied by ~~4.5~~ 1.6 percent for each year of allowable service and pro rata for months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

Sec. 4. Minnesota Statutes 1990, section 352.92, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1984, in lieu of employee contributions payable under section 352.04, subdivision 2, contributions by covered correctional employees must be in an amount equal to ~~4.90~~ percent of salary.

Sec. 5. Minnesota Statutes 1990, section 352.92, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] (a) In lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees an amount equal to ~~6.27~~ percent of salary.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 6. Minnesota Statutes 1990, section 352.93, subdivision 2, is amended to read:

Subd. 2. [CALCULATING MONTHLY ANNUITY.] The monthly annuity under this section must be determined by multiplying the average monthly salary by the number of years, or completed months, of covered correctional service by ~~2.5~~ 2.7 percent. However, the monthly annuity must not exceed ~~75~~ 81 percent of the average monthly salary.

Sec. 7. Minnesota Statutes 1990, section 352.95, subdivision 1, is amended to read:

Subdivision 1. [JOB-RELATED DISABILITY.] A covered correctional employee less than 55 years old who becomes disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that makes the employee physically or mentally unable to perform the duties, is entitled to a disability benefit based on covered correctional service only. The benefit amount must equal ~~50~~ 54 percent of the average salary defined in section 352.93, plus an additional ~~2.1~~ 2.7 percent for each year of covered correctional service in excess of 20 years, prorated for completed months.

Sec. 8. Minnesota Statutes 1990, section 352B.02, subdivision 1a, is amended to read:

Subd. 1a. [MEMBER CONTRIBUTIONS.] Each member shall pay a sum equal to ~~8.5~~ percent of the member's salary, which shall constitute the member contribution to the fund.

Sec. 9. Minnesota Statutes 1990, section 352B.02, subdivision 1c, is amended to read:

Subd. 1c. [EMPLOYER CONTRIBUTIONS.] (a) In addition to member contributions, department heads shall pay a sum equal to ~~4.88~~ percent of the salary upon which deductions were made, which shall constitute the employer contribution to the fund. Department contributions must be

paid out of money appropriated to departments for this purpose.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 10. Minnesota Statutes 1990, section 352B.08, subdivision 2, is amended to read:

Subd. 2. [NORMAL RETIREMENT ANNUITY.] The annuity must be paid in monthly installments. The annuity shall be equal to the amount determined by multiplying the average monthly salary of the member by ~~2-1/2~~ 2.7 percent for each year and pro rata for completed months of service.

Sec. 11. Minnesota Statutes 1990, section 352B.10, subdivision 1, is amended to read:

Subdivision 1. [INJURIES, PAYMENT AMOUNTS.] Any member less than 55 years old, who becomes disabled and physically or mentally unfit to perform duties as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, shall receive disability benefits while disabled. The benefits must be paid in monthly installments equal to the member's average monthly salary multiplied by ~~50~~ 54 percent, plus an additional ~~2-1/2~~ 2.7 percent for each year and pro rata for completed months of service in excess of 20 years, if any.

Sec. 12. Minnesota Statutes 1990, section 353.27, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTION.] The employee contribution shall be an amount (a) for a "basic member" equal to ~~8-2/3~~ 8.52 percent of total salary; and (b) for a "coordinated member" equal to ~~4-2/3~~ 4.52 percent of total salary. These contributions shall be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the total salary received from all sources.

Sec. 13. Minnesota Statutes 1990, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c, applies to any member who first became a public employee or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average salary as defined in subdivision 2, multiplied by ~~two~~ 2.7 percent for each year of allowable service for the first ten years and thereafter by ~~2-5~~ 2.6 percent per year of allowable service and completed months less than a full year for the "basic member," and ~~one~~ 1.7 percent for each year of allowable service for the first ten years and thereafter by ~~1-5~~ 1.6 percent per year of allowable service and completed months less than a full year for the "coordinated member," shall determine the amount of the "normal" retirement annuity.

(b) This paragraph applies to a member who has become at least 55 years old and first became a public employee after June 30, 1989, and to any other

member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c. The average salary, as defined in subdivision 2, multiplied by ~~2.5~~ 2.6 percent for each year of allowable service and completed months less than a full year for a basic member and ~~4.5~~ 4.6 percent per year of allowable service and completed months less than a full year for a coordinated member, shall determine the amount of the normal retirement annuity.

Sec. 14. Minnesota Statutes 1990, section 353.651, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary as defined in subdivision 2, multiplied by ~~2.4~~ 2.7 percent per year of allowable service shall determine the amount of the normal retirement annuity. If the member has earned allowable service for performing services other than those of a police officer or firefighter, the annuity representing such service shall be computed in accordance with sections 353.29 and 353.30.

Sec. 15. Minnesota Statutes 1990, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] Any member of the police and fire fund less than 55 years of age, who becomes disabled and physically unfit to perform duties as a police officer or firefighter subsequent to June 30, 1973, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which has or is expected to render the member physically or mentally unable to perform duties as a police officer or firefighter for a period of at least one year, shall receive disability benefits during the period of such disability. The benefits must be in an amount equal to ~~50~~ 54 percent of the "average salary" pursuant to subdivision 3 plus an additional ~~2.4~~ 2.7 percent of said average salary for each year of service in excess of 20 years. Should disability under this subdivision occur before the member has at least five years of allowable service credit in the police and fire fund, the disability benefit must be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 16. Minnesota Statutes 1991 Supplement, section 353C.06, subdivision 3, is amended to read:

Subd. 3. [ANNUITY AMOUNT.] The average salary as defined in subdivision 2, multiplied by ~~two~~ 2.2 percent for each year of allowable service for the first ten years and ~~2.5~~ 2.7 percent for each additional year of allowable service, and pro rata for completed months less than a full year, determines the amount of the normal annuity. If a person has earned allowable service in the public employees retirement association or the public employees police and fire fund prior to participation under this chapter, the annuity representing such service must be computed in accordance with the formula under sections 353.29 and 353.30 or 353.651, whichever applies.

Sec. 17. Minnesota Statutes 1990, section 354.42, subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to ~~4.4~~ percent of the salary of every coordinated member and ~~8.4~~ percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's

salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received.

Sec. 18. Minnesota Statutes 1990, section 354.42, subdivision 3, is amended to read:

Subd. 3. The employer contribution to the fund shall be an amount equal to ~~4~~^{4 1/2} percent of the salary of each coordinated member and ~~8~~^{8 1/2} percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43.

Sec. 19. Minnesota Statutes 1990, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formulas stated in clause (2) or (4) on the basis of each member's average salary for the period of the member's formula service credit.

For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the *higher of: (i) the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit provided, however, that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments, or (ii) if the member was a full-time teacher during the period used to compute the average salary under clause (i), 73 percent of the average of the annual salaries paid to members who are elementary and secondary teachers with an identical period of formula service credit in the public schools throughout the state during the most recent five-year period for which figures are available as determined from reports submitted to the board by the employing district. Average salary must be based upon all years of formula service credit if this service credit is less than five years.*

(2) This clause, in conjunction with clause (3), applies to a person who first became a member of the fund or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless clause (4), in conjunction with clause (5), produces a higher annuity amount, in which case clause (4) applies. The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 1.7 percent per year	2.0 2.1 percent per year
Each year of service thereafter	1.5 1.6 percent per year	2.5 2.6 percent per year

(3)(i) This clause applies only to a person who first became a member of the fund or a member of a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, and whose annuity is higher when calculated under clause (2), in conjunction with this clause than when calculated under clause (4), in conjunction with clause (5).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount

equal to the normal annuity provided in clause (2) reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in clause (2), without any reduction by reason of early retirement.

(4) This clause applies to a member who has become at least 55 years old and first became a member of the fund after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount when calculated under this clause and in conjunction with clause (5), is higher than it is when calculated under clause (2), in conjunction with clause (3). The average salary, as defined in clause (1) multiplied by 2.5 2.6 percent for each year of service for a basic member and by 1.5 1.6 percent for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(5) This clause applies to a person who has become at least 55 years old and first becomes a member of the fund after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity is higher when calculated under clause (4) in conjunction with this clause than when calculated under clause (2), in conjunction with clause (3). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in clause (4) reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 20. Minnesota Statutes 1990, section 354A.12, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYEE CONTRIBUTIONS.] The contribution required to be paid by each member of a teachers retirement fund association shall not be less than the percentage of total salary specified below for the applicable association and program:

Association and Program	Percentage of Total Salary
Duluth teachers retirement association	
old law and new law coordinated programs	4.5 percent
Minneapolis teachers retirement association	
basic program	8.5 percent
coordinated program	4.5 percent
St. Paul teachers retirement association	
basic program	8 percent
coordinated program	4.5 percent

Sec. 21. Minnesota Statutes 1990, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

The employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b):

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The employer contributions shall be remitted directly to each teachers retirement fund association each month.

Payments for school district or technical college employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or technical college.

Sec. 22. Minnesota Statutes 1990, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] (a) The normal coordinated retirement annuity shall be an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section shall mean an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but which shall not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

(b) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member or a member in a pension fund listed in section 356.30, subdivision 3, before July 1, 1989, unless paragraph (c), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (c) will apply. The retirement annuity formula percentage for purposes of this paragraph is ~~one~~ 1.1 percent per year for each year of coordinated service for the first ten years and ~~4.5~~ 1.6 percent for each year of coordinated service thereafter.

(c) This paragraph applies to a person who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (b), in conjunction with the provisions of subdivision 6. The retirement annuity formula percentage for purposes of this paragraph is ~~4.5~~ 1.6 percent for each year of coordinated service.

Sec. 23. Minnesota Statutes 1991 Supplement, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST AND SALARY ASSUMPTIONS.] (a) For funds governed by chapters 352, 352B, 353, 353C, and 354, the actuarial valuation must use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and a future salary increase assumption of ~~6.5~~ six percent.

(b) For funds governed by chapter 354A, the actuarial valuation must use preretirement and postretirement assumptions of 8.5 percent and a future salary increase assumption of ~~6.5~~ six percent, but the actuarial valuation must reflect the payment of postretirement adjustments to retirees, based on the methods specified in the bylaws of the fund as approved by the legislature. For a fund governed by chapter 422A, the actuarial valuation shall use a preretirement interest assumption of six percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.04 multiplied by the salary for the preceding year.

(c) For all other funds not specified in paragraph (a), (b), or (d), the actuarial valuation must use a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and a future salary increase assumption of 3.5 percent.

(d) For funds governed by chapters 3A, 352C, and 490, the actuarial valuation must use a preretirement interest assumption of 8.5 percent, a postretirement interest assumption of five percent, and a future salary increase assumption of ~~6.5~~ six percent in each future year in which the salary amount payable is not determinable from section 3.099, 15A.081, subdivision 6, or 15A.083, subdivision 1, whichever applies, or from applicable compensation council recommendations under section 15A.082.

Sec. 24. Minnesota Statutes 1991 Supplement, section 356.215, subdivision 4g, is amended to read:

Subd. 4g. [AMORTIZATION CONTRIBUTIONS.] (a) In addition to the exhibit indicating the level normal cost, the actuarial valuation must contain an exhibit indicating the additional annual contribution sufficient to amortize the unfunded actuarial accrued liability. For funds governed by chapters 3A, 352, 352B, 352C, 353, 353C, 354, 354A, and 490, the additional

contribution must be calculated on a level percentage of covered payroll basis by the established date for full funding in effect when the valuation is prepared. The level percent additional contribution must be calculated assuming annual payroll growth of ~~6.5~~ six percent. For all other funds, the additional annual contribution must be calculated on a level annual dollar amount basis.

(b) For any fund other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, if there has not been a change in the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, which change or changes by themselves without inclusion of any other items of increase or decrease produce a net increase in the unfunded actuarial accrued liability of the fund, the established date for full funding for the first actuarial valuation made after June 1, 1989, and each successive actuarial valuation is the first actuarial valuation date occurring after June 1, 2020.

(c) For any fund or plan other than the Minneapolis employees retirement fund, after the first actuarial valuation date occurring after June 1, 1989, if there has been a change in any or all of the actuarial assumptions used for calculating the actuarial accrued liability of the fund, a change in the benefit plan governing annuities and benefits payable from the fund, a change in the actuarial cost method used in calculating the actuarial accrued liability of all or a portion of the fund, or a combination of the three, and the change or changes, by themselves and without inclusion of any other items of increase or decrease, produce a net increase in the unfunded actuarial accrued liability in the fund, the established date for full funding must be determined using the following procedure:

(i) the unfunded actuarial accrued liability of the fund must be determined in accordance with the plan provisions governing annuities and retirement benefits and the actuarial assumptions in effect before an applicable change;

(ii) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the unfunded actuarial accrued liability amount determined under item (i) by the established date for full funding in effect before the change must be calculated using the interest assumption specified in subdivision 4d in effect before the change;

(iii) the unfunded actuarial accrued liability of the fund must be determined in accordance with any new plan provisions governing annuities and benefits payable from the fund and any new actuarial assumptions and the remaining plan provisions governing annuities and benefits payable from the fund and actuarial assumptions in effect before the change;

(iv) the level annual dollar contribution or level percentage, whichever is applicable, needed to amortize the difference between the unfunded actuarial accrued liability amount calculated under item (i) and the unfunded actuarial accrued liability amount calculated under item (iii) over a period of 30 years from the end of the plan year in which the applicable change is effective must be calculated using the applicable interest assumption specified in subdivision 4d in effect after any applicable change;

(v) the level annual dollar or level percentage amortization contribution

under item (iv) must be added to the level annual dollar amortization contribution or level percentage calculated under item (ii);

(vi) the period in which the unfunded actuarial accrued liability amount determined in item (iii) is amortized by the total level annual dollar or level percentage amortization contribution computed under item (v) must be calculated using the interest assumption specified in subdivision 4d in effect after any applicable change, rounded to the nearest integral number of years, but not to exceed 30 years from the end of the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and not to be less than the period of years beginning in the plan year in which the determination of the established date for full funding using the procedure set forth in this clause is made and ending by the date for full funding in effect before the change; and

(vii) the period determined under item (vi) must be added to the date as of which the actuarial valuation was prepared and the date obtained is the new established date for full funding.

(d) For the Minneapolis employees retirement fund, the established date for full funding is June 30, 2020.

Sec. 25. Minnesota Statutes 1990, section 356.30, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; COMPUTATION OF ANNUITY.] (1) Notwithstanding any provisions to the contrary of the laws governing the funds enumerated in subdivision 3, a person who has met the qualifications of clause (2) may elect to receive a retirement annuity from each fund in which the person has at least six months allowable service, based on the allowable service in each fund, subject to the provisions of clause (3).

(2) A person may receive upon retirement, in lieu of any augmentation of deferred annuities provided by laws governing the funds enumerated in subdivision 3, a retirement annuity from each fund in which the person has at least six months allowable service if

(a) the person has allowable service totaling an amount that allows the person to receive an annuity in any two or more of the enumerated funds;

(b) the person has at least six months of allowable service with the last such fund earned during the last period of employment; and

(c) the person has not begun to receive an annuity from any enumerated fund or the person has made application for benefits from all funds within a six-month period.

(3) The retirement annuity from each fund shall be based upon the allowable service in each fund, except that:

(a) The laws governing annuities shall be the law in effect on the date of final termination from the last public service under a covered fund.

(b) The "average salary" on which the annuity from each covered fund in which the employee has credit in a formula plan shall be based on the employee's highest five successive years of covered salary during the entire service in covered funds.

(c) The formula percentages to be used by each fund shall be those percentages prescribed by each fund's formula as continued for the respective years of allowable service from one fund to the next, recognizing all

previous allowable service with the other covered funds.

(d) Allowable service in all the funds shall be combined in determining eligibility for and the application of each fund's provisions in respect to actuarial reduction in the benefit amount for retirement prior to normal retirement.

(e) The benefit amount payable for any allowable service under a non-formula plan of a covered fund shall not be affected but such service and covered salary shall be used in the above calculation.

(f) This section shall not apply to any person whose final termination from the last public service under a covered fund is prior to May 1, 1975.

(g) For the purpose of computing benefits under this section the formula percentages used by any covered fund shall in no event exceed ~~2-1/2~~ 2.7 percent per year of service for any year of service or fraction thereof.

(h) Any period of time for which a person has credit in more than one of the covered funds shall be used only once for the purpose of determining total allowable service.

(i) If the period of duplicated service credit is more than six months, or the person has credit for more than six months with each of the funds, each fund shall apply its formula to a prorated service credit for the period of duplicated service based on a fraction of the salary on which deductions were paid to that fund for the period divided by the total salary on which deductions were paid to all funds for the period.

(j) If the period of duplicated service credit is less than six months, or when added to other service credit with that fund is less than six months, the service credit shall be ignored and a refund of contributions made to the person in accord with that fund's refund provisions.

Sec. 26. Minnesota Statutes 1990, section 422A.10, subdivision 1, is amended to read:

Subdivision 1. There shall be deducted and withheld from the basic salary, pay or compensation of each employee in the contributing class, prior to January 1, 1980 an amount equal to 7-1/4 percent, after December 31, 1979 but prior to January 1, 1981 an amount equal to 8-1/4 percent and after December 31, 1980 an amount equal to ~~9-1/4~~ percent of such salary, pay or compensation, except as hereinafter provided. The retirement board may increase the percentage rate of contribution to the retirement fund of any employee or employees for the purpose of establishing and maintaining on an actuarial basis a plan of insurance, survivors' benefits, or other type of benefit or benefits, the cost of which shall be paid out of such extra percentage so authorized and deducted from the employee's compensation, except as hereinafter provided. Any plan or plans so established and placed in operation may be amended from time to time, or may be abandoned, but if abandoned, any surplus remaining from the operation of a plan shall be the property of the fund, and shall be credited to the reserve for loss in investment account.

Sec. 27. Minnesota Statutes 1990, section 422A.15, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided in subdivision 3, each contributing member who, at the time of retirement, fulfills the conditions necessary to enable the member to retire, shall receive what shall be known as a "formula pension and annuity" equal to ~~two~~ 2.1 percent for each year of

allowable service for the first ten years and thereafter ~~2.5~~ 2.6 percent per year of allowable service of the arithmetic average annual salary, wages or compensation of the member from the city for any five calendar years out of the last ten calendar years of service except as provided for in section 422A.16, which may include the year in which the employee retires, as selected by the employee, multiplied by the years of service credited by the retirement fund. The formula pension and annuity shall be computed on the single life plan but subject to the option selections provided for in section 422A.17.

In order to be entitled to the formula pension and annuity herein provided for, the retiring employee at the time of cessation of employment and of actual retirement shall have attained the age of 60 years or have been employed by the city not less than 30 years, or meet the qualifications provided for in section 422A.16, and in addition thereto have contributed to the retirement fund at the percentage rate prescribed by the retirement law applicable when the salary, wages or compensation was paid on all salaries, wages, or compensation received from the city or from an applicable employing unit. The years of service to be applied in the formula pension and annuity shall be found and determined by the retirement board, except that no credit shall be allowed for any year in which a back charge is owing at time of retirement and the earnings from any year in which a back charge is owing shall not be used in determining the average annual salary.

Sec. 28. [FIRST CLASS CITY TEACHER FUNDS.]

Subdivision 1. [AUTHORITY GRANTED TO INCREASE FORMULAS.] In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the teachers retirement fund associations in each of the cities of the first class to amend their articles of incorporation or bylaws in the manner specified in this section. The amendments in this section apply only to basic members in the Minneapolis teachers retirement fund association and the St. Paul teachers retirement fund association, and to old law coordinated program members in the Duluth teachers retirement fund association.

Subd. 2. [PERMISSIBLE INCREASES.] The formula percentages for persons specified in subdivision 1 may be increased as follows:

(1) for the Minneapolis teachers retirement fund, 2.6 instead of 2.5 percent for each year of service;

(2) for the St. Paul teachers retirement fund, 2.1 instead of 2.0 percent for each year of service for persons whose annuity is calculated under Laws 1989, chapter 319, article 13, section 94, paragraph (a), and 2.6 instead of 2.5 percent for persons whose annuity is calculated under authority of Laws 1989, chapter 319, article 13, section 94, paragraphs (b) and (c);

(3) for the Duluth teachers retirement fund old coordinated plan, 1.35 instead of 1.25 percent for each year of service for persons whose annuity is calculated under Laws 1989, chapter 319, article 13, section 94, paragraph (a), and 1.6 instead of 1.5 percent for persons whose annuity is calculated under Laws 1989, chapter 319, article 13, section 94, paragraphs (b) and (c).

Sec. 29. [EFFECTIVE DATE.]

Sections 3, 6, 7, 10, 11, 13, 14, 15, 16, 22, 24, 25, 27, and 28 are effective May 16, 1993. Sections 1, 2, 4, 5, 8, 9, 12, 17, 18, 20, 21, and 26 are effective the first full payroll period beginning after July 1, 1993. Section 19,

paragraph (1), is effective July 1, 1992. The balance of section 19 is effective May 16, 1993. Section 23, with respect to the teachers retirement association, is effective July 1, 1992. Section 23, with respect to remaining affected pension funds, is effective May 16, 1993."

Delete the title and insert

"A bill for an act relating to retirement; providing benefit increases for certain public employees; amending Minnesota Statutes 1990, sections 352.04, subdivisions 2 and 3; 352.115, subdivision 3; 352.92, subdivisions 1 and 2; 352.93, subdivision 2; 352.95, subdivision 1; 352B.02, subdivisions 1a and 1c; 352B.08, subdivision 2; 352B.10, subdivision 1; 353.27, subdivision 2; 353.29, subdivision 3; 353.651, subdivision 3; 353.656, subdivision 1; 354.42, subdivisions 2 and 3; 354.44, subdivision 6; 354A.12, subdivisions 1 and 2; 354A.31, subdivision 4; 356.30, subdivision 1; 422A.10, subdivision 1; 422A.15, subdivision 1; Minnesota Statutes 1991 Supplement, sections 353C.06, subdivision 3; and 356.215, subdivisions 4d and 4g."

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that Joint Rule 2.03 be suspended as to the Committee Report on S.F. No. 422. The motion prevailed.

Mr. Moe, R.D. moved the adoption of the Committee Report on S.F. No. 422. The motion prevailed. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 422 and 2699 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2756, 2709, 2435 and 419 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Bertram introduced—

Senate Resolution No. 137: A Senate resolution congratulating the Paynesville Bulldogs Wrestling Team for their efforts and achievements in the State High School Class A Wrestling Meet.

Referred to the Committee on Rules and Administration.

Mr. Solon moved that S.F. No. 422, on General Orders, be stricken and re-referred to the Committee on Finance. 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. 2924: A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 2316: A bill for an act relating to drivers' licenses; abolishing requirements to surrender driver's license under certain circumstances; revising driver's license classifications; making technical corrections; amending Minnesota Statutes 1990, sections 169.121, subdivision 7; 169.123, subdivision 5a; 169.14, subdivision 10; 171.11; and 171.22, subdivision 1; Minnesota Statutes 1991 Supplement, section 171.02, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 171.20, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1996: A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, 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 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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 2233: A bill for an act relating to natural resources; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1990, sections 84.87, by adding a subdivision; and 84A.55, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 86B.313, 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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

Pursuant to Rule 22, Mr. McGowan moved to be excused from voting on S.F. No. 2547. The motion prevailed.

S.F. No. 2547: A bill for an act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319, article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715;

423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 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	Laidig	Olson	Spear
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hottinger	Marty	Price	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 1852: A bill for an act relating to Big Stone, Chippewa, and Kandiyohi counties; permitting each county to consolidate 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 45 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Metzen	Ranum
Belanger	Flynn	Knaak	Moe, R.D.	Reichgott
Benson, J.E.	Frank	Langseth	Neuville	Riveness
Berg	Frederickson, D.J.	Larson	Olson	Solon
Berglin	Gustafson	Lessard	Pappas	Spear
Bernhagen	Halberg	Luther	Pariseau	Stumpf
Brataas	Hughes	Marty	Piper	Terwilliger
Cohen	Johnson, D.J.	McGowan	Pogemiller	Traub
Dahl	Johnson, J.B.	Merriam	Price	Waldorf

Those who voted in the negative were:

Beckman	Day	Johnston	Morse	Vickerman
Benson, D.D.	DeCramer	Kroening	Novak	
Bertram	Finn	Laidig	Renneke	
Chmielewski	Frederickson, D.R.	Mehrkens	Sams	
Davis	Hottinger	Mondale	Samuelson	

So the bill passed and its title was agreed to.

H.F. No. 2186: A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Metzen	Reichgott
Beckman	Day	Johnson, J.B.	Moe, R.D.	Renneke
Belanger	DeCramer	Kelly	Mondale	Riveness
Benson, D.D.	Dicklich	Kroening	Morse	Sams
Benson, J.E.	Finn	Laidig	Neuville	Samuelson
Berg	Flynn	Langseth	Novak	Solon
Berglin	Frank	Larson	Olson	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pappas	Stumpf
Bertram	Frederickson, D.R.	Luther	Pariseau	Terwilliger
Brataas	Gustafson	Marty	Piper	Traub
Chmielewski	Halberg	McGowan	Pogemiller	Vickerman
Cohen	Hottinger	Mehrkens	Price	Waldorf
Dahl	Hughes	Merriam	Ranum	

Ms. Johnston and Mr. Knaak voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2572: A bill for an act relating to probate; altering the definition of successors; amending Minnesota Statutes 1990, sections 353A.02, subdivision 21; 524.1-201; 524.3-303; and 524.3-308.

Was read the third time 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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 2031: A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, 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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 430: A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; amending Minnesota Statutes 1991 Supplement, section 69.021, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 60A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1833: A bill for an act relating to traffic regulations; permitting certain cities to provide for volunteer enforcement of certain regulations; amending Minnesota Statutes 1990, section 169.346, 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 52 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kelly	Moe, R. D.	Riveness
Beckman	Dicklich	Knaak	Mondale	Samuelson
Belanger	Flynn	Kroening	Morse	Solon
Benson, J.E.	Frederickson, D.J.	Laidig	Neuville	Spear
Berglin	Frederickson, D.R.	Larson	Novak	Stumpf
Bernhagen	Halberg	Lessard	Olson	Traub
Bertram	Hottinger	Luther	Pappas	Vickerman
Brataas	Hughes	Marty	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Mehrkens	Price	
Cohen	Johnson, J.B.	Merriam	Ranum	
Dahl	Johnston	Metzen	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Day	Frank	Pariseau	Sams
Berg	Finn	McGowan	Renneke	Terwilliger
Davis				

So the bill passed and its title was agreed to.

S.F. No. 1821: A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, 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 10, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnston	Moe, R. D.	Sams
Beckman	Finn	Kelly	Mondale	Samuelson
Benson, J.E.	Flynn	Kroening	Morse	Solon
Berglin	Frank	Laidig	Neuville	Spear
Bernhagen	Frederickson, D.J.	Langseth	Novak	Stumpf
Bertram	Frederickson, D.R.	Lessard	Pappas	Traub
Chmielewski	Gustafson	Luther	Piper	Vickerman
Cohen	Halberg	Marty	Pogemiller	Waldorf
Dahl	Hottinger	McGowan	Price	
Davis	Hughes	Mehrkens	Ranum	
Day	Johnson, D.J.	Merriam	Reichgott	
DeCramer	Johnson, J.B.	Metzen	Riveness	

Those who voted in the negative were:

Belanger	Berg	Knaak	Olson	Renneke
Benson, D.D.	Brataas	Larson	Pariseau	Terwilliger

So the bill passed and its title was agreed to.

S.F. No. 2380: A bill for an act relating to the legislature; requiring committees and commissions of the legislature to consider the effect of proposed legislation on the state's science and technology policy; proposing coding for new law in Minnesota Statutes, chapter 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Mondale	Riveness
Beckman	Finn	Kroening	Morse	Sams
Benson, D.D.	Flynn	Laidig	Neuville	Samuelson
Benson, J.E.	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Gustafson	Luther	Pariseau	Terwilliger
Brataas	Hottinger	Marty	Piper	Traub
Chmielewski	Hughes	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.J.	Mehrkens	Price	Waldorf
Dahl	Johnson, J.B.	Metzen	Ranum	
Day	Kelly	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Belanger	Halberg	Johnston	Merriam	Renneke
Berg				

So the bill passed and its title was agreed to.

H.F. No. 2034: A bill for an act relating to health; allowing persons who voluntarily provide assistance at the scene of an accident to obtain test results to determine whether they have been exposed to HIV or hepatitis B; amending Minnesota Statutes 1990, section 144.761, 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, 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	Stumpf
Brataas	Halberg	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 2081: A bill for an act relating to health; modifying provider appeal requirements for medical assistance; amending Minnesota Statutes 1990, section 256B.50, subdivision 1b.

Was read the third time 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	Stumpf
Brataas	Halberg	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 2082: A bill for an act relating to utilities; requiring rules for tracing calls made to a household that has received harassing calls; 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 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	Stumpf
Brataas	Halberg	Luther	Pariseau	Terwilliger
Chmielewski	Hottinger	Marty	Piper	Traub
Cohen	Hughes	McGowan	Pogemiller	Vickerman
Dahl	Johnson, D.J.	Mehrkens	Price	Waldorf

So the bill passed and its title was agreed to.

H.F. No. 1416: A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1990, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 45.025, subdivision 7.

Was read the third time 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	Spear
Bernhagen	Frederickson, D.J.	Langseth	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pappas	Terwilliger
Brataas	Gustafson	Lessard	Pariseau	Traub
Chmielewski	Halberg	Luther	Piper	Vickerman
Cohen	Hottinger	Marty	Pogemiller	Waldorf
Dahl	Hughes	McGowan	Price	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2683: A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; repealing a surviving spouse remarriage penalty; amending Laws 1943, chapter 196, section 4, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 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	Sams
Benson, D.D.	Dicklich	Knaak	Morse	Samuelson
Benson, J.E.	Finn	Kroening	Novak	Solon
Berg	Flynn	Laidig	Olson	Spear
Berglin	Frank	Langseth	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pariseau	Terwilliger
Bertram	Frederickson, D.R.	Lessard	Piper	Traub
Brataas	Halberg	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	Marty	Price	Waldorf
Cohen	Hughes	McGowan	Ranum	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 2792: A bill for an act relating to retirement; providing level benefits for members of the Minneapolis fire department relief association.

Was read the third time 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	Laidig	Olson	Spear
Bernhagen	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hottinger	McGowan	Price	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 2732: A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 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 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	Stumpf
Berglin	Frederickson, D.J.	Larson	Pappas	Terwilliger
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.J.	Merriam	Reichgott	
Davis	Johnson, J.B.	Metzen	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 1935: A bill for an act relating to retirement; making changes in laws governing the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.12, subdivision 2; 422A.14, subdivision 1; and 422A.23, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 422A.101, subdivision 1; and 422A.17; repealing Minnesota Statutes 1990, section 422A.14, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	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	Stumpf
Brataas	Gustafson	Lessard	Pariseau	Terwilliger
Chmielewski	Halberg	Luther	Piper	Traub
Cohen	Hottinger	Marty	Pogemiller	Vickerman
Dahl	Hughes	McGowan	Price	Waldorf

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Neuville moved that his name be stricken as a co-author to S.F. No. 2781. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 684, No. 87 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Benson, D.D. introduced—

S.F. No. 2784: A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; establishing programs and committees; permitting the adoption of administrative rules; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 72A.04; 79.211, subdivision 1; 79.251, subdivisions 1, 2, 3, 4, and 5; 79.252, subdivisions 1 and 3; 175.007, subdivisions 1 and 2; 176.041, subdivision 1; 176.081, subdivisions 1, 5, and by adding a subdivision; 176.101, subdivisions 1, 2, 3b, 3c, 4, and 5; 176.102, subdivisions 3a and 4; 176.103, subdivision 3; 176.106, subdivisions 2, 3, 4, 7, 8, and by adding a subdivision; 176.129, subdivisions 1, 9, 10, 11, and 13; 176.132, by adding a subdivision; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.181, subdivision 3, and by adding subdivisions; 176.221, by adding a subdivision; 176.291; 176.645, subdivision 1; 176.83, subdivision 5; 182.659, subdivision 8, and by adding subdivisions; 182.666, subdivision 7; 480A.06, subdivisions 3 and 4; Minnesota Statutes 1991 Supplement, sections 14.03, subdivision 3; 182.666, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 72B; 79; 175; 176; 176A; 182; and 268; repealing Minnesota Statutes 1990, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; 176.081, subdivision 2; 176.101, subdivisions 3a, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, and 3t; 176.129, subdivisions 3, 4, 4a, and 12; 176.131; 176.132, subdivisions 1 and 2; 176.135, subdivision 3; 176.136, subdivisions 3 and 5; 176.231, subdivisions 8 and 9; and 176.401.

Referred to the Committee on Employment.

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. 1590, 2137, 2510, 651 and H.F. Nos. 2369, 1889, 1978, which the committee recommends to pass.

S.F. No. 2194, which the committee reports progress, subject to the following motion:

Mr. Lessard moved to amend S.F. No. 2194 as follows:

Pages 6 and 7, delete section 12

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 32 and nays 19, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Johnson, D.J.	McGowan	Samuelson
Beckman	Day	Johnston	Metzen	Solon
Benson, D.D.	Finn	Kroening	Morse	Stumpf
Benson, J.E.	Frank	Laidig	Neuville	Terwilliger
Berg	Frederickson, D.R.	Langseth	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Bertram	Hughes	Lessard	Sams	

Those who voted in the negative were:

Berglin	Knaak	Mondale	Pogemiller	Spear
Cohen	Luther	Novak	Ranum	Traub
DeCramer	Marty	Pappas	Reichgott	Waldorf
Flynn	Merriam	Piper	Riveness	

The motion prevailed. So the amendment was adopted.

S.F. No. 2194 was then progressed.

S.F. No. 522, which the committee recommends to pass with the following amendment offered by Mr. Benson, D.D.:

Page 1, delete section 1

Page 1, line 14, delete "Sec. 2" and insert "Section 1" and delete "97C.007" and insert "97C.003" and after "SOUTHEASTERN" insert "EXPERIMENTAL"

Page 1, line 15, delete "*designated trout*"

Page 1, line 16, after "*counties*" insert "*that are subject to experimental regulation under section 97C.001, subdivision 3, relating to the taking of trout*"

Page 1, after line 19, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2523, which the committee recommends to pass with the following amendment offered by Mrs. Pariseau:

Page 12, after line 15, insert:

"Sec. 14. Minnesota Statutes 1991 Supplement, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS.] For persons with mental retardation or a related condition, screening teams shall be established which shall evaluate the need for the level of care provided by residential-based habilitation services, residential services, training and habilitation services, and nursing facility services. The evaluation shall address whether home- and community-based services are appropriate for persons who are at risk of

placement in an intermediate care facility for persons with mental retardation or related conditions, or for whom there is reasonable indication that they might require this level of care. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of a person to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager for persons with mental retardation or related conditions, the person, the person's legal guardian or conservator, or the parent if the person is a minor, and a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 483.430, as amended through June 3, 1988. The case manager may also act as the qualified mental retardation professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service planning process. The contract shall be limited to public guardianship representation for the screening and individual service planning activities. The contract shall require compliance with the commissioner's instructions and may be for paid or voluntary services. For persons determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the person's physician, other health professionals or other individuals as necessary to make this evaluation. *For persons under the jurisdiction of a correctional agency, the case manager must consult with the corrections administrator regarding additional health, safety, and supervision needs.* The case manager, with the concurrence of the person, the person's legal guardian or conservator, or the parent if the person is a minor, may invite other individuals to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case. Nothing in this section shall be construed as requiring the screening team meeting to be separate from the service planning meeting."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1114, which the committee recommends to pass, after the following motions:

Mr. Knaak moved to amend H.F. No. 1114, the unofficial engrossment, as follows:

Page 1, after line 5, insert:

"Section 1. [3.054] [GENDER BALANCE.]

The chairmanships of legislative committees must be gender balanced. No person of the overrepresented gender may be appointed or reappointed to a chairmanship of a committee of the house of representatives or the senate if after the appointment or reappointment the number of chairs of one gender in the legislative body would be greater than:

(1) one-half of the chairmanships plus one, if the body has an odd number of committees; or

(2) one-half of the chairmanships, if the body has an even number of committees.

The speaker of the house of representatives and the subcommittee on committees of the senate committee on rules and administration shall consult each other to ensure compliance with this section. In addition, the speaker and the subcommittee shall endeavor to ensure that the chairmanships in their respective bodies reflect racial, ethnic, and socioeconomic diversity to the extent possible."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly in sequence

Mr. Luther questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Knaak appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Senate?"

The roll was called, and there were yeas 31 and nays 17, as follows:

Those who voted in the affirmative were:

Berglin	Johnson, D.J.	Merriam	Price	Traub
Bertram	Johnson, J.B.	Moe, R.D.	Ranum	Vickerman
Cohen	Kelly	Mondale	Reichgott	Waldorf
DeCramer	Kroening	Morse	Riveness	
Finn	Lessard	Novak	Samuelson	
Flynn	Luther	Piper	Spear	
Hughes	Marty	Pogemiller	Stumpf	

Those who voted in the negative were:

Adkins	Bernhagen	Knaak	Neuville	Terwilliger
Belanger	Brataas	Laidig	Olson	
Benson, D.D.	Gustafson	Larson	Pariseau	
Benson, J.E.	Johnston	McGowan	Renneke	

The decision of the Chair was sustained.

Mr. Knaak then moved to amend H.F. No. 1114, the unofficial engrossment, as follows:

Page 1, after line 5, insert:

"Section 1. [3.071] [GENDER BALANCE.]

The employees of the legislature must be gender balanced. No person of the overrepresented gender may be employed by the house of representatives or the senate if after the person's employment the number of employees of one gender in the person's job classification within the legislative body would be greater than:

(1) one-half of total employees plus one, if the classification has an odd number of employees; or

(2) one-half of the total employees, if the classification has an even number of employees.

The speaker of the house of representatives and the subcommittee on personnel of the senate committee on rules and administration shall consult each other to ensure compliance with this section. In addition, the speaker and the subcommittee shall endeavor to ensure that the employees in their

respective bodies reflect racial, ethnic, and socioeconomic diversity to the extent possible."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Knaak appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Senate?"

The roll was called, and there were yeas 30 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Merriam	Piper	Sams
Berglin	Johnson, J.B.	Moe, R. D.	Pogemiller	Samuelson
Bertram	Kroening	Mondale	Price	Spear
Cohen	Lessard	Morse	Ranum	Stumpf
DeCramer	Luther	Novak	Reichgott	Traub
Finn	Marty	Pappas	Riveness	Vickerman

Those who voted in the negative were:

Belanger	Brataas	Knaak	Neuville	Waldorf
Benson, D.D.	Frank	Laidig	Olson	
Benson, J.E.	Frederickson, D.R.	Larson	Pariseau	
Berg	Johnston	McGowan	Renneke	
Bernhagen	Kelly	Mehrkens	Terwilliger	

The decision of the Chair was sustained.

H.F. No. 2137, which the committee recommends to pass, after the following motion:

Mr. Stumpf moved that the amendment made to H.F. No. 2137 by the Committee on Rules and Administration in the report adopted March 27, 1992, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 1856, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 1990, section 507.03, is amended to read:

507.03 [PURCHASE-MONEY MORTGAGE; NONJOINER OF SPOUSE.]

When a ~~spouse~~ *married individual* purchases ~~land~~ *real property* during ~~coverture~~ *marriage* and mortgages the ~~estate in such land~~ *real property* to secure the payment of the purchase price or any portion ~~thereof~~ *of it*, the ~~surviving~~ *other spouse* shall not be entitled to any inchoate ~~or~~, contingent, ~~or marital property right or interest in such land~~ *and the real property* as against the mortgagee or those claiming under the mortgagee ~~although such survivor~~ *even though the other spouse did not join in such the mortgage*. A statement in the mortgage to the effect that the mortgage is a purchase money mortgage constitutes prima facie evidence of that fact."

Page 21, after line 18, insert:

“Sec. 29. Minnesota Statutes 1990, section 518.54, subdivision 5, is amended to read:

Subd. 5. [MARITAL PROPERTY: EXCEPTIONS.] “Marital property” means property, real or personal, including vested public or private pension plan benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding, but prior to the date of valuation under section 518.58, subdivision 1. All property acquired by either spouse subsequent to the marriage and before the valuation date is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of coownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. *If a title interest in real property is held individually by only one spouse, the interest in the real property of the nontitled spouse is not subject to claims of creditors or judgment or tax liens until the time of entry of the decree awarding an interest to the nontitled spouse.* The presumption of marital property is overcome by a showing that the property is nonmarital property.

“Nonmarital property” means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after the valuation date; or

(e) is excluded by a valid antenuptial contract.”

Page 27, after line 7, insert:

“Sec. 35. Minnesota Statutes 1990, section 582.27, is amended to read:
582.27 [EFFECTIVE DATES.]

Subdivision 1. The following schedule specifies the dates to be applied to the provisions of section 582.25:

(A) As to the general provision of section 582.25, ~~May 1, 1988~~ April 1, 1991;

(B) As to clause (1), ~~May 24, 1989~~ the day following final enactment of this act;

(C) As to clause (2), January 1, ~~1978~~ 1982;

(D) As to clause (5), ~~May 24, 1989~~ the day following final enactment of this act;

(E) As to clause (8), ~~May 24, 1989~~ the day following final enactment of this act;

(F) As to clause (10) (a), ~~May 24, 1989~~; *the day following final enactment of this act.*

Subd. 2. The date of the report of sale to which section 582.26 applies is ~~May 24, 1989~~ *the day following final enactment of this act.*

Subd. 3. The provisions of sections 582.25 to 582.27 shall not affect any action or proceeding pending on August 1, 1989, or which shall be commenced before February 1, 1990, in any of the courts of the state, involving the validity of such foreclosure. *This act does not affect any proceeding pending on August 1, 1992, or commenced before February 1, 1993, in any of the courts of the state, involving the validity of the foreclosure.*"

Page 27, after line 13, insert:

"Section 35 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "providing for new certificates of title or CPT to be issued for registered land adjoining a vacated street or alley; providing that purchase money mortgages are subject to rights or interest of nonmortgaging spouse; providing that marital property interest of nontitled spouse is not subject to levy, judgments, or tax liens;"

Page 1, line 10, after the semicolon, insert "changing certain dates relating to validation of mortgage foreclosures;"

Page 1, line 11, after "sections" insert "507.03;"

Page 1, line 17, after the second semicolon, insert "518.54, subdivision 5;"

Page 1, line 18, delete "and" and after the third semicolon, insert "and 582.27;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1230, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 9, line 30, delete "five"

Page 9, line 31, delete "*apportionments and payments*" and insert "*apportionment and payment*"

Page 9, line 36, delete "*five-year*"

Page 10, line 1, delete "*cancel to the state general fund*" and insert "*must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment*"

Page 10, line 3, delete "*cancels to the state general*" and insert "*must be credited to the amount of fire insurance premium tax proceeds available for the next subsequent fire state aid apportionment.*"

Page 10, delete line 4

Page 10, after line 14, insert:

"Sec. 5. [VALIDATION OF PRIOR PAYMENTS; AUTHORITY TO RETAIN CERTAIN SERVICE PENSION AMOUNTS.]

(a) *Payments of lump sum service pensions by volunteer firefighter relief*

associations before March 15, 1992, that were in excess of the uppermost flexible service pension maximum amount specified in Minnesota Statutes, section 424A.02, subdivision 3, but were in conformance with the articles of incorporation or bylaws of the relief association in effect on the day before the payment of the lump sum service pension, are ratified.

(b) A lump sum service pension amount in excess of the uppermost flexible service pension maximum amount specified in Minnesota Statutes 1990, section 424A.02, subdivision 3, and in excess of the applicable lump sum service pension maximum amount specified in section 3, as specified in the articles of incorporation or bylaws of a relief association in effect on December 31, 1991, may continue in force after December 31, 1991, but may not be subsequently increased except in conformance with section 3."

Page 10, line 16, delete "4" and insert "5"

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 7, after "auditor;" insert "ratifying certain prior nonconforming lump sum service pension payments; continuing certain nonconforming lump sum service pension amounts in force;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1993, which the committee recommends to pass with the following amendments offered by Mr. Kelly and Ms. Flynn:

Mr. Kelly moved to amend S.F. No. 1993 as follows:

Page 9, after line 31, insert:

"Sec. 5. [SIGN TO BE ERECTED.]

The commissioner of transportation shall erect at the earliest feasible date an addition to the exit sign marking the East Seventh Street exit on eastbound marked interstate highway No. 94 in St. Paul to indicate that the exit provides access to Metropolitan State University in downtown St. Paul if Metropolitan State University pays all costs of erecting the sign.

Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Flynn moved to amend S.F. No. 1993 as follows:

Page 9, line 14, delete "." and insert "November 1, 1992"

The motion prevailed. So the amendment was adopted.

Ms. Flynn then moved to amend S.F. No. 1993 as follows:

Page 6, line 34, delete "at an"

Page 6, delete lines 35 and 36 and insert "in front of a transit bus at an intersection, unless the bus is parked with its four-way flashers on."

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1993 as follows:

Pages 5 and 6, delete section 1

Renumber the sections of article 2 in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 36, as follows:

Those who voted in the affirmative were:

Beckman	Bernhagen	Knaak	Neuville	Vickerman
Belanger	Brataas	Laidig	Olson	
Benson, D.D.	Day	Larson	Pariseau	
Benson, J.E.	Johnson, D.E.	McGowan	Renneke	
Berg	Johnston	Mehrkens	Terwilliger	

Those who voted in the negative were:

Adkins	Flynn	Langseth	Novak	Sams
Berglin	Frank	Lessard	Pappas	Spear
Bertram	Frederickson, D.J.	Luther	Piper	Stumpf
Chmielewski	Hottinger	Marty	Pogemiller	Traub
Cohen	Hughes	Merriam	Price	
DeCramer	Johnson, J.B.	Metzen	Ranum	
Dicklich	Kelly	Mondale	Reichgott	
Finn	Kroening	Morse	Riveness	

The motion did not prevail. So the amendment was not adopted.

On motion of Mr. Luther, 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. Luther 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. 2326: A bill for an act relating to education; providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies; imposing a tax; modifying certain income tax provisions; modifying appropriations; appropriating money; amending Minnesota Statutes 1990, sections 120.17, subdivisions 2, 3a, and 16; 121.11, subdivision 7; 121.88, by adding a subdivision; 121.935, by adding subdivisions; 122.23, subdivisions 12, 13, and 13a; 122.241, subdivision 3; 122.531, by adding subdivisions; 122.532, subdivision 2; 123.33, subdivision 7; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, subdivision 3, and by adding a subdivision; 123.78, by adding a subdivision; 124.155, subdivision 1; 124.17, by adding a subdivision; 124.19, subdivision 5; 124.243, subdivisions 2 and 6; 124.244, subdivision 1; 124.2725, subdivision 2; 124.6472, by adding subdivisions; 124.73, subdivision 1; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision

3; 124A.26, subdivision 2; 124A.29, as amended; 124C.61; 125.05, subdivision 2; 125.18, subdivision 1; 126.22, by adding a subdivision; 128A.09, subdivision 2, and by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.65, subdivision 1; 136D.22, subdivision 1; 136D.27, subdivision 2; 136D.74, subdivision 2a; 136D.82, subdivision 1; 136D.87, subdivision 2; 205A.10, subdivision 2; 275.125, subdivisions 10, 14a, and by adding subdivisions; 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, sections 13.40, subdivision 2; 120.062, subdivision 8a; 120.17, subdivisions 3b and 7a; 120.181; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.915; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 124.155, subdivision 2; 124.19, subdivision 1; 124.195, subdivisions 2 and 3a; 124.2601, subdivision 6; 124.2615, subdivision 2; 124.2721, subdivision 5a; 124.2727, subdivision 6; 124.646, subdivision 4; 124.6472, subdivision 1; 124.84, subdivision 3; 124.95, subdivisions 1 and 2; 124A.03, subdivisions 1h, 2, and 2a; 124A.23, subdivision 4; 124A.24; 125.185, subdivision 4a; 125.62, subdivision 6; 126.23; 126.70, subdivision 2a; 128B.10, subdivision 2; 136D.72, subdivision 1; 275.065, subdivisions 1 and 6; 275.125, subdivisions 6j and 11g; 289A.01; 298.28, subdivision 4; 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapters 265, articles 3, section 39, subdivision 16; 4, section 30, subdivisions 9 and 11; 5, sections 18 and 23; 7, section 37, subdivision 6; 8, sections 14 and 19, subdivision 6; 9, sections 75 and 76; 11, section 23, subdivision 1; and 356, article 9, section 12; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 124A; 124C; 126; 135A; 136C; 179A; 295; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 124A.02, subdivision 24; 124A.23, subdivisions 2, 2a, and 3; 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; 128A.024, subdivision 1; 134.34, subdivision 2; Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; 123.35, subdivision 19; 124.2721, subdivision 5b; 124.2727, subdivisions 1, 2, 3, 4, 5, and 6; 124.646, subdivision 2; 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1; 124A.23, subdivisions 1, 4, and 5; 126.071, subdivision 1; 126.70; Laws 1990, chapter 604, article 8, section 12; and Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; 6, sections 60 and 64; and 7, section 35.

Reports the same back with the recommendation that the bill be amended as follows:

Page 4, after line 20, insert:

"Sec. 3. Minnesota Statutes 1990, section 122.531, subdivision 2, is amended to read:

Subd. 2. [VOLUNTARY DISSOLUTION: REFERENDUM LEVIES REVENUE.] As of the effective date of the voluntary dissolution of a district and its attachment to one or more existing districts pursuant to section 122.22, the authorization for all referendum levies revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, is canceled. However, if all of the territory of any independent district is included in the enlarged district, and if the adjusted net tax capacity of taxable property in that territory comprises 90 percent or more of the adjusted net tax capacity of all taxable property in an enlarged district, ~~the board of the enlarged district may levy the increased amount previously approved by a referendum~~

in the preexisting independent district upon all taxable property in the enlarged district district's referendum revenue shall be determined as follows:

If the referendum revenue previously approved in the preexisting district is authorized as a tax rate, the referendum revenue in the enlarged district is the tax rate times the adjusted net tax capacity of the enlarged district. If referendum revenue previously approved in the preexisting district is authorized as revenue per actual pupil unit, the referendum revenue shall be the revenue per actual pupil unit times the number of actual pupil units in the enlarged district. If referendum revenue in the preexisting district is authorized both as a tax rate and as revenue per actual pupil unit, the referendum revenue in the enlarged district shall be the sum of both plus any referendum revenue in the preexisting district authorized as a dollar amount. Any new referendum levy revenue shall be certified authorized only after approval is granted by the voters of the entire enlarged district in an election pursuant to section 124A.03, subdivision 2.

Sec. 4. Minnesota Statutes 1990, section 122.531, subdivision 2a, is amended to read:

Subd. 2a. [CONSOLIDATION; MAXIMUM AUTHORIZED REFERENDUM LEVIES REVENUE.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, or if the plan for consolidation makes no provision concerning referendum levies revenues, the authorization for all referendum levies revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be recalculated as provided in this subdivision. The referendum levy revenue authorization for the newly created district shall be the local tax rate that would raise an amount equal to the combined dollar amount of the referendum levies revenues authorized by each of the component districts for the year preceding the consolidation, unless the referendum levy revenue authorization of the newly created district is subsequently modified pursuant to section 124A.03, subdivision 2. If the referendum levy revenue authorizations for each of the component districts were limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum levy revenue authorization of any component district is not limited to a specified number of years, the referendum levy revenue authorization for the newly created district shall not be limited to a specified number of years.

Sec. 5. Minnesota Statutes 1990, section 122.531, subdivision 2b, is amended to read:

Subd. 2b. [ALTERNATIVE METHOD.] As of the effective date of a consolidation pursuant to section 122.23, if the plan for consolidation so provides, the authorization for all referendum levies revenues previously approved by the voters of all affected districts for those districts pursuant to section 124A.03, subdivision 2, or its predecessor provision shall be combined as provided in this subdivision. The referendum levy revenue authorization for the newly created district may be any local tax rate allowance per actual pupil unit provided in the plan for consolidation, but may not exceed the local tax rate allowance per actual pupil unit that would raise an amount equal to the combined dollar amount of the referendum levies revenues authorized by each of the component districts for the year preceding the consolidation. If the referendum levy revenue authorizations for each

of the component districts were limited to a specified number of years, the referendum ~~levy~~ revenue authorization for the newly created district shall continue for a period of time equal to the longest period authorized for any component district. If the referendum ~~levy~~ revenue authorization of any component district is not limited to a specified number of years, the referendum ~~levy~~ revenue authorization for the newly created district shall not be limited to a specified number of years. The referendum ~~levy~~ revenue authorization for the newly created district may be modified pursuant to section 124A.03, subdivision 2."

Pages 6 and 7, delete section 7

Page 8, line 17, after the period, insert "*If a district has referendum authority under section 124A.03 and levy authority under section 275.125, subdivisions 6e and 6i, and the district requests that each be converted, the department shall convert separate revenue allowances for each.*"

Page 8, line 22, before the period, insert ", unless it is scheduled to expire sooner"

Page 15, after line 4, insert:

"Sec. 17. [BORROWING AGAINST LEVIES.]

The limit for borrowing money upon negotiable tax anticipation certificates of indebtedness, according to Minnesota Statutes, section 124.73, subdivision 1, is increased from 50 to 75 percent for certificates or warrants issued before July 1, 1993."

Page 15, line 9, delete "10" and insert "12"

Re-number the sections of article 1 in sequence

Page 16, line 32, delete "*the seven-county*" and insert "*a*" and delete "*area*" and insert "*county, as defined by section 473.121*"

Page 29, line 12, reinstate the stricken language

Page 29, line 13, delete "*PLACEMENT*" and reinstate the stricken "*PUPILS*"

Page 30, lines 8 and 22, delete the new language

Page 30, delete lines 9, 23, and 24

Page 30, after line 34, insert:

"(f) The district in which the day program or residential facility, according to paragraph (c) or (d), is located may contract with the day program or residential facility to provide instruction by licensed teachers."

Pages 34 and 35, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 124.2605, is amended to read:

124.2605 [GED TEST FEES.]

The commissioner of education shall pay 60 percent of the costs of a GED test taken by an eligible individual, *but not more than \$20 for an eligible individual who takes all parts of a GED test.*"

Page 38, line 4, delete "1990" and insert "1992"

Page 38, line 9, strike "1990" and insert "1992"

Page 38, line 15, after the period, insert "*The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district:*

(i) serves an average of at least 66 pupils per grade in grades 9 to 12; or

(ii) is eligible for sparsity revenue in the fiscal year in which the district's bonds are authorized at an election conducted under chapter 475." and before "Districts" insert paragraph coding

Page 39, after line 20, insert:

"The authority to enter into installment contracts and lease purchase agreements under this subdivision expires July 1, 1995. A district may levy under this subdivision for installment contracts and lease purchase agreements approved by the commissioner before July 1, 1995."

Page 41, line 26, after "Notwithstanding" insert "*Minnesota Statutes, sections 124.431, 475.61, a section of this act, an enactment of the 1992 legislative session, or*"

Page 41, line 34, after the period, insert "*The levies and aids of the district shall be calculated each year as though the district had not retained the excess authorized by this section."*

Page 42, after line 6, insert:

"Sec. 12. [DULUTH BONDING.]

Subdivision 1. [BONDING AUTHORIZATION.] To provide funds for the acquisition and betterment, as defined in Minnesota Statutes, section 475.51, subdivisions 7 and 8, of existing and new facilities, independent school district No. 709 may, by two-thirds majority vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1992 and 1993 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1992 and 1993 may not exceed \$9,600,000. 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. 709, Minnesota Statutes, section 475.53, subdivision 5, does not apply to issuance of the bonds. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the city of Duluth. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to five percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If such a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. 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 must be disregarded in calculating the bonding limit of chapter 124 or any other law other than Minnesota Statutes, section 475.53, subdivision 4, as made applicable to independent school district No. 709 by Laws 1973.

chapter 266.

Subd. 2. [TAX LEVY FOR DEBT SERVICE.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 709 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 the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 13. [LAKE SUPERIOR, VIRGINIA, GRAND RAPIDS SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 381, Lake Superior, may issue bonds in an aggregate principal amount not exceeding \$779,500, and independent school district No. 318, Grand Rapids, may issue bonds in an aggregate principal amount not exceeding \$5,500,000, and independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$5,000,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to Minnesota Statutes, section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.64. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 4. [DISTRICT LEVY.] The school board shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts

needed to meet when due 20 percent of the principal and interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 5. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 8. [LOCAL APPROVAL.] This section is effective for independent school district No. 381 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 318 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 706 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 14. [ICE ARENA LEVY.]

Subdivision 1. [AUTHORITY.] Each year, independent school district No. 361, International Falls, may levy for the operational costs of the Bronco arena. The levy may not exceed the actual costs of operation of the arena for that year.

Subd. 2. [EFFECTIVE DATE.] Subdivision 1 is effective the day after the governing body of independent school district No. 361, International Falls, complies with Minnesota Statutes, section 645.021, subdivision 1.

Sec. 15. [FUND BALANCE LIMIT EXCEPTION.]

Notwithstanding Minnesota Statutes, section 124.243, subdivision 2, the capital expenditure facilities revenue for special school district No. 6, South St. Paul, for fiscal years 1992, 1993, and 1994 must not be reduced because of the district's fund balance.

Sec. 16. [LEVY AND AID ADJUSTMENTS.]

The department of education shall adjust the levy limits and aid payments for special school district No. 6 according to section 15. Adjustment to the school district levy may be spread over three years.

Sec. 17. [EFFECTIVE DATE.]

Sections 15 and 16 are effective the day following final enactment."

Page 43, line 18, strike "shall be at least" and delete "two" and strike "months after the date of the order,"

Page 43, line 19, strike "and"

Page 45, line 26, strike "at"

Page 45, line 27, strike "least" and delete "two" and strike "months

after the day when the date must be set,"

Page 45, line 28, strike "and shall be"

Page 47, line 13, strike everything after "projections"

Page 47, line 14, strike everything before the second "of"

Pages 48 and 49, delete section 10 and insert:

"Sec. 10. Minnesota Statutes 1990, section 122.532, subdivision 2, is amended to read:

Subd. 2. (a) As of the effective date of ~~any~~ a consolidation in which a district is divided or the dissolution of ~~any~~ a district and its attachment to ~~one~~ two or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district in which is located the building where that teacher was primarily employed prior to the consolidation or dissolution and attachment on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the teacher with the greatest seniority, and the remaining teachers must be alternately assigned to each district until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the school board and the exclusive representative of teachers in each school district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district."

Page 49, line 10, after the period, insert "A district may not levy or receive state aid, according to section 124.2721 or any other law, as a result of exercising any power of an education district."

Page 53, line 22, after the third comma, insert "education district, intermediate school district, secondary vocational cooperative, joint powers district," and after "a" insert "school"

Page 54, line 4, after "divide" insert "five-sixths of" and after "certified" insert "for special education and secondary vocational education"

Page 54, after line 10, insert:

"A school district may recognize 50 percent of the proceeds of the levy in the fiscal year it is certified."

Page 54, line 14, before "A" insert "(a)"

Page 54, after line 23, insert:

"(b) A school district that levies according to this subdivision may permanently transfer money to an account in the capital expenditure fund for a telecommunications development project from the unreserved undesignated account for unemployment, transportation fund, community service fund, trust and agency fund, or debt redemption fund, to the extent a balance in the debt redemption fund is not needed to pay principal and interest on bonds outstanding at the time of transfer. The transfer may not result in a deficit in any fund from which a transfer is made and may be made one time after June 30, 1992, and before July 1, 1994."

Page 54, delete section 20 and insert:

“Sec. 20. [LAC QUI PARLE COOPERATION REVENUE.]

Subdivision 1. Notwithstanding any other law to the contrary, if the members of joint school district No. 6011, Lac Qui Parle Valley, meet the requirements of Minnesota Statutes 1990, sections 122.241 to 122.246, they shall be eligible for revenue under Minnesota Statutes, section 124.2725.

Subd. 2. The authority in subdivision 1 expires if the members of joint school district No. 6011 have not combined according to Minnesota Statutes 1990, section 122.244, by July 1, 1996.

Subd. 3. Joint school district No. 6011, Lac Qui Parle Valley, may certify a levy on all the taxable property in the joint district for costs associated with the establishment of the joint district. The levy authorized under this section must not exceed \$400,000 in total and must be certified in equal amounts over each year of a five-year period.”

Page 54, line 28, delete “sections” and insert “section”

Page 54, line 29, delete everything after the first comma

Page 54, line 30, delete “are” and insert “is”

Pages 60 and 61, delete section 10 and insert:

“Sec. 10. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 6k. [HEALTH INSURANCE LEVY.] (a) A school district may levy the amount necessary to make employer contributions for insurance for retired employees under this subdivision. The entire amount levied shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

(b) The school board of a joint vocational technical district formed under sections 136C.60 to 136C.69 and the school board of a school district may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;

(2) has at least 25 years of service credit in the public pension plan of which the person is a member on the day before retirement or, in the case of a teacher, has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after May 15, 1992, and before July 21, 1992.

A school board paying insurance under this subdivision may not exclude any eligible employees.

(c) An employee who is eligible both for the health insurance benefit under this subdivision and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive provided under the collective

bargaining agreement personnel plan or the incentive provided under this subdivision, but may not receive both. For purposes of this subdivision, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

(d) An employee who retires under this subdivision using the rule of 90 must not be included in the calculations required by section 356.85.

(e) Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of chapter 179A. The authority provided in this subdivision for an employer to pay health insurance costs for certain retired employees is not subject to the limits in section 179A.20, subdivision 2a.

Sec. 11. Minnesota Statutes 1990, section 275.125, is amended by adding a subdivision to read:

Subd. 24. [RETIRED EMPLOYEE HEALTH BENEFITS LEVY.] For taxes payable in 1993 and 1994 only, a school district may levy an amount up to the amount the district is required by the collective bargaining agreement in effect on March 30, 1992, to pay for health insurance or unreimbursed medical benefits for licensed and nonlicensed employees who have terminated services in the employing district and withdrawn from active teaching service or other active service, as applicable, before July 1, 1992. The total amount of the levy each year may not exceed the following:

(1) .1 percent of adjusted net tax capacity, if the district's adjusted net tax capacity exceeds \$100,000,000;

(2) one percent of adjusted net tax capacity, if the district's adjusted net tax capacity is greater than \$10,000,000 but equal to or less than \$100,000,000; or

(3) five percent of adjusted net tax capacity, if the district's adjusted net tax capacity is equal to or less than \$10,000,000.

Notwithstanding section 121.904, the proceeds of this levy shall be recognized in the fiscal year in which it is certified."

Page 63, after line 9, insert:

"Sec. 16. [OPERATING DEBT LEVY FOR COLERAINE SCHOOL DISTRICT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] On July 1, 1992, independent school district No. 316, Coleraine, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1992.

Subd. 2. [LEVY.] For taxes payable in each of the years 1993 through 1997, the district may levy an amount up to 20 percent of the balance in the account on July 1, 1992. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

Subd. 3. [NO LOCAL APPROVAL.] Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval."

Page 63, delete section 16 and insert:

"Sec. 18. [APPROPRIATION: GRANT FOR SCIENCE AND MATH.]

\$150,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of education to supplement a grant from the National Science Foundation. The appropriation is for a systemic initiative in science and mathematics education."

Page 64, delete lines 6 to 8 and insert "*124A.23, subdivisions 2, 2a, and 3; 124A.26, subdivisions 2 and 3; 124A.27; 124A.28; and 124A.29, subdivision 2; and Minnesota Statutes 1991 Supplement, sections 124A.02, subdivisions 16 and 23; 124A.03, subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9; 124A.23, subdivisions 1, 4, and 5; 124A.24; 124A.26, subdivision 1; and 124A.29, subdivision 1, are"*

Page 64, line 9, delete "*July 1, 2000*" and insert "*June 30, 1999*"

Page 64, line 12, delete "*Section*"

Page 64, delete line 13

Page 64, line 14, delete "*2001*" and insert "*2000*"

Renumber the sections of article 7 in sequence

Pages 65 and 66, delete section 5

Page 71, line 1, after "*schools*" insert "*throughout the state*"

Pages 73 to 77, delete sections 15 and 16

Pages 79 and 80, delete section 18

Page 88, line 22, delete "*11*" and insert "*10*"

Page 88, line 24, delete "*Section 15 is effective June 30, 1997.*" and delete "*21*" and insert "*17*"

Renumber the sections of article 8 in sequence

Page 94, after line 20, insert:

"Sec. 6. Minnesota Statutes 1990, section 123.3514, is amended by adding a subdivision to read:

Subd. 6c. [FINANCIAL ARRANGEMENTS FOR COURSES AT SECONDARY SCHOOLS.] The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b.

For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law."

Page 96, line 1, delete "8" and insert "9"

Renumber the sections of article 9 in sequence

Page 97, line 24, before "fiscal" insert "state"

Page 97, line 27, delete "this subdivision" and insert "paragraph (a) or (b)"

Pages 108 to 110, delete sections 10 and 11

Page 118, line 4, before the period, insert ", unless the school district or other educational agency consents to participation in the system"

Page 118, line 23, before "program" insert "learning readiness"

Page 119, line 1, delete "and 12" and delete "23" and insert "21"

Page 119, line 2, delete everything after the period

Page 119, delete line 3

Page 124, after line 3, insert:

"Sec. 5. Minnesota Statutes 1990, section 122.247, subdivision 1, is amended to read:

Subdivision 1. [REFERENDUM ~~LEVIES~~ *REVENUES*.] The referendum ~~levy~~ *revenue* authorization of the combined district shall be one of the methods set forth in section 122.531, subdivision 2a, 2b, or 2c, and must be consistent with the plan adopted according to section 122.242, and any subsequent modifications.

Sec. 6. Minnesota Statutes 1990, section 122.531, subdivision 1a, is amended to read:

Subd. 1a. [INVOLUNTARY DISSOLUTION REFERENDUM ~~LEVIES~~ *REVENUE*.] As of the effective date of the involuntary dissolution of a district and its attachment to one or more existing districts pursuant to sections 122.32, or 122.41 to 122.52, the authorization for any referendum ~~levy~~ *revenue* previously approved by the voters of the dissolved district in that district pursuant to section 124A.03, subdivision 2, or its predecessor or successor provision, is canceled. The authorization for any referendum ~~levy~~ *revenue* previously approved by the voters of a district to which all or part of the dissolved district is attached shall not be affected by the attachment and shall apply to the entire area of the district as enlarged by the attachment.

Sec. 7. Minnesota Statutes 1990, section 122.531, subdivision 2c, is amended to read:

Subd. 2c. If the plan for consolidation provides for discontinuance of referendum ~~levies~~ *revenue* previously approved by voters of the component districts pursuant to section 124A.03, subdivision 2, or its predecessor provision, the newly created district shall not ~~make~~ *receive* a referendum

~~levy~~ revenue unless the voters of the newly created district authorize a referendum ~~levy~~ revenue pursuant to section 124A.03, subdivision 2.

Sec. 8. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections;
~~and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 9. Minnesota Statutes 1991 Supplement, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(i) section 124A.23, if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 275.125, subdivisions 5 and 5c, if the school district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections; ~~and~~

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(B) to the total amount of the school district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment, and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax

increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000."

Page 137, line 3, after "amount" insert "for fiscal year 1992 and 50 percent for fiscal years thereafter"

Page 137, after line 23, insert:

"Sec. 29. Laws 1991, chapter 265, article 7, section 41, subdivision 4, is amended to read:

Subd. 4. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] For entering into contracts for outcome-based education programs according to section 37:

\$675,000 1992

\$675,000 1993

\$55,000 each year is for evaluation and administration of the program.

A balance in the first year does not cancel but is available in the second year."

Page 139, line 2, delete "5" and insert "10" and delete "22" and insert "27"

Renumber the sections of article 12 in sequence

Amend the title as follows:

Page 1, line 14, after the semicolon, insert "122.247, subdivision 1;" and before "by" insert "subdivisions 1a, 2, 2a, 2b, 2c, and"

Page 1, lines 18 and 19, delete "a subdivision" and insert "subdivisions"

Page 1, line 25, delete "124.73, subdivision 1;"

Page 1, line 35, after the second semicolon, insert "270.101, subdivision 1;"

Page 1, line 36, delete "subdivisions 10," and insert "subdivision"

Page 1, line 37, delete "290.01, subdivision 19b" and insert "289A.02, subdivision 5; 289A.18, by adding a subdivision: 289A.19, by adding a subdivision: 289A.20, by adding a subdivision: 289A.56, subdivision 3"

Page 1, line 44, after the first semicolon, insert "124.214, subdivisions 2 and 3;" and after the second semicolon, insert "124.2605;"

Page 2, line 11, delete "subdivisions 9 and" and insert "subdivision"

Page 2, line 12, delete "section" and insert "sections" and after "6" insert "; and 41, subdivision 4"

Page 2, line 17, delete "179A: 295" and insert "289A"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Metzen moved that H.F. No. 1948 be taken from the table. The motion prevailed.

H.F. No. 1948: A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

Mr. Metzen moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1948, 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. Luther, for Mr. Frederickson, D.J., moved that S.F. No. 2514 be taken from the table. The motion prevailed.

S.F. No. 2514: A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

Mr. Luther, for Mr. Frederickson, D.J., moved that the Senate do not concur in the amendments by the House to S.F. No. 2514, 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:

H.F. No. 1948: Messrs. Metzen, Solon and Larson.

S.F. No. 1619: Messrs. Marty, Spear and Knaak.

H.F. No. 1903: Messrs. Merriam; Vickerman; Johnson, D.E.; Stumpf and Morse.

S.F. No. 2514: Messrs. Frederickson, D.J.; DeCramer and Renneke.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Johnson, D.E. was excused from the Session of today from 12:30 to 4:15 p.m. Mr. Moe, R.D. was excused from the Session of today at 4:30 p.m. Mr. Hottinger was excused from the Session of today from 1:30 to 3:10 p.m. Mr. Dahl was excused from the Session of today from 2:00 to 4:30 p.m.

ADJOURNMENT

Mr. Luther moved that the Senate do now adjourn until 12:00 noon, Thursday, April 2, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

NINETIETH DAY

St. Paul, Minnesota, Thursday, April 2, 1992

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Metzen 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. Donald S. Sheffield.

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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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.

March 31, 1992

The Honorable Jerome M. Hughes
President of the Senate

Dear President 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. 764, 1633, 1666, 2307, 2385 and 2337.

Warmest regards,

Arne H. Carlson, Governor

April 2, 1992

The Honorable Dee Long
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 1992 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 1992	Date Filed 1992
2385		378	6:00 p.m. March 31	April 1
1666		380	6:02 p.m. March 31	April 1
764		382	6:05 p.m. March 31	April 1
1633		384	6:07 p.m. March 31	April 1
	1763	387	6:10 p.m. March 31	April 1
2307		388	6:12 p.m. March 31	April 1
2337		391	5:58 p.m. March 31	April 1

Sincerely,
Joan Anderson Grove
Secretary of State

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2849: A bill for an act relating to state parks: authorizing the commissioner of natural resources to negotiate a special fee structure for the Split Rock Lighthouse state historic site within Split Rock Lighthouse state park; amending Minnesota Statutes 1990, section 85.053, 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. 2755: A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; abolishing the advisory commission on intergovernmental relations; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying aids to local governments; authorizing and modifying provisions relating to property tax classifications and levies; reducing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal

Revenue Code; modifying provisions relating to political campaign contribution refunds; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, school districts, special taxing districts, and watershed districts; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.255, by adding a subdivision; 103B.335; 216C.06, by adding a subdivision; 270.07, subdivision 3; 270.075, subdivision 1; 270.69, by adding a subdivision; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 273.1104, subdivision 1; 273.112, subdivisions 1, 2, 3, and 4; 273.135, subdivision 2; 273.1391, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1 and 2; 275.065, subdivisions 1a and 4; 275.125, subdivision 10; 278.02; 279.37, subdivision 1; 281.23, subdivision 8; 282.016; 282.09, subdivision 1; 282.36; 289A.11, subdivision 3; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.091, subdivision 6; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.07; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 24, 34, 45, and by adding subdivisions; 298.24, subdivision 1; 298.28, by adding a subdivision; 299F.21, subdivision 1; 381.12, subdivision 2; 383.06; 401.02, subdivision 3; 401.05; 469.004, subdivision 1, and by adding a subdivision; 469.034; 469.153, subdivision 2; 469.177, subdivision 1a; 473.446, subdivision 1; 473.711, subdivision 2; 473.714; 473H.10, subdivision 3; 477A.015; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 16A.15, subdivision 6; 16A.711, subdivisions 3, 4, and by adding a subdivision; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 270A.04, subdivision 2; 270A.08, subdivision 2; 272.02, subdivision 1; 273.124, subdivisions 1 and 6; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 6 and 7; 273.1399; 275.065, subdivisions 1, 3, 5a, and 6; 275.125, subdivision 5; 277.01, subdivision 1; 277.17; 278.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 289A.37, subdivision 1; 290.01, subdivision 19; 290.05, subdivision 3; 290.06, subdivision 3; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290A.04, subdivision 2h; 297A.135, subdivision 1, and by adding a subdivision; 297A.14, subdivision 3; 297A.25, subdivision 12, as amended; 297A.44, subdivision 4; 375.192, subdivision 2; 423A.02, subdivision 1a; 477A.012, subdivision 6; 477A.013, subdivisions 1 and 3; 508.25; 508A.25; and 611.27, subdivision 7; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1991, chapter 291, articles 1, section 65; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 8; 13; 16A; 273; 289A; 290; 297A; 298; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 275.065, subdivision 1b; 278.01, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 298.24, subdivision 4; Minnesota Statutes 1991 Supplement, sections 3.862; 47.209; 273.124, subdivision 15; and 295.367; and Laws 1991, chapter 291, article 2, section 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 177, delete lines 12 to 21

Page 178, line 5, delete "\$260,000,000" and insert "\$240,000,000"

Page 183. delete section 9

Re-number the sections of article 9 in sequence

Amend the title as follows:

Page 2, line 16, delete "3" and insert "23"

Page 2, line 23, after the second semicolon, insert "and" and after the third semicolon, delete "and"

Page 2, line 24, delete "611.27, subdivision 7:"

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. 1980 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1980	1922				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1980 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1980 and insert the language after the enacting clause of S.F. No. 1922, the first engrossment; further, delete the title of H.F. No. 1980 and insert the title of S.F. No. 1922, the first engrossment.

And when so amended H.F. No. 1980 will be identical to S.F. No. 1922, and further recommends that H.F. No. 1980 be given its second reading and substituted for S.F. No. 1922, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2750 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.
2750	2468				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2750 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2750 and insert the language after the enacting clause of S.F. No. 2468, the first engrossment; further, delete the title of H.F. No. 2750 and insert the title of S.F. No. 2468, the first engrossment.

And when so amended H.F. No. 2750 will be identical to S.F. No. 2468, and further recommends that H.F. No. 2750 be given its second reading and substituted for S.F. No. 2468, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2257 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.
2257	2764				

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. 2647 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.
2647	2622				

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. 1873 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.
1873	1731				

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. 1738 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.
1738	1700				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1738 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1738 and insert the language after the enacting clause of S.F. No. 1700, the first engrossment; further, delete the title of H.F. No. 1738 and insert the title of S.F. No. 1700, the first engrossment.

And when so amended H.F. No. 1738 will be identical to S.F. No. 1700, and further recommends that H.F. No. 1738 be given its second reading and substituted for S.F. No. 1700, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this 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. 2211 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.
2211	1847				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2211 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2211 and insert the language after the enacting clause of S.F. No. 1847, the first engrossment; further, delete the title of H.F. No. 2211 and insert the title of S.F. No. 1847, the first engrossment.

And when so amended H.F. No. 2211 will be identical to S.F. No. 1847, and further recommends that H.F. No. 2211 be given its second reading

and substituted for S.F. No. 1847, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2000 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2000	1859				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2605: A bill for an act relating to the emergency jobs program; modifying program conditions; instructions to revisor; appropriating money; amending Minnesota Statutes 1990, sections 268.676, subdivision 1; 268.77, subdivision 1; 268.681, subdivisions 1 and 2; and 268.682, subdivision 3; repealing Minnesota Statutes 1990, section 268.6751, subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner and who is a resident of the state shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue

for more than 30 days and which prevents the person from obtaining or retaining employment:

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household:

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the county agency through its director or designated representative:

(4) a person who resides in a shelter facility described in subdivision 3:

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, licensed psychologist, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment:

(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment:

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work:

(8) a person who, following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the county agency determines is not employable. For purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. Eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility:

(9) a person who is determined by the county agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan:

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living

with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan:

(11) a woman in the last trimester of pregnancy who does not qualify for aid to families with dependent children. A woman who is in the last trimester of pregnancy who is currently receiving aid to families with dependent children may be granted emergency general assistance to meet emergency needs:

(12) a person who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(13) a person who lives more than two hours round-trip traveling time from any potential suitable employment; and

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day; and

(15) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). ~~The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause.~~

(b) Persons or families who are not state residents but who are otherwise eligible for general assistance may receive emergency general assistance to meet emergency needs.

(c) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(d) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or work readiness is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

Sec. 2. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of five consecutive calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's five-month eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, and ends on the last day of the fifth consecutive calendar month, whether or not the person has received benefits for all five months. The person is not eligible to receive work readiness benefits during the seven calendar months immediately following the five-month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion

of the period of eligibility specified in paragraph (a) or (d).

Sec. 3. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month unless the registrants comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. ~~The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.~~

~~(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.~~

~~(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).~~

Sec. 4. Minnesota Statutes 1991 Supplement, section 256D.052, subdivision 4, is amended to read:

Subd. 4. [PAYMENT OF WORK READINESS.] The county agency must provide assistance under section 256D.051 to persons who:

(1) participate in a literacy program assigned under subdivision 2. To

“participate” means to attend regular classes, complete assignments, and make progress toward literacy goals; or

(2) are not assigned to literacy training because there is no program available or accessible to them.

~~Notwithstanding contrary provisions of section 256D.051, subdivision 1, a person eligible for assistance under this section is eligible for assistance for a maximum period of seven consecutive calendar months during any 12 consecutive calendar month period, subject to section 256D.051, subdivision 1, paragraph (d). Work readiness payments may be terminated for persons who fail to attend the orientation and participate in the assessment and development of the employment development plan.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 268.551, subdivision 3, is amended to read:

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) (i) is a targeted young person as defined in Laws 1990, chapter 562, article 4, section 12, between the ages of 14 and 21, who, because of a lack of personal resources and skills, needs assistance in setting and realizing education goals and in becoming a contributing member of the community;
or

(ii) 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.

Sec. 6. Minnesota Statutes 1991 Supplement, section 268.552, is amended by adding a subdivision to read:

Subd. 1a. [CREATION OF ADDITIONAL PROGRAM.] The commissioner shall provide wage subsidies to eligible applicants described in section 268.551, subdivision 3, clause (4)(ii), for work with an employer in the manner and amount specified in this section.

Sec. 7. Minnesota Statutes 1991 Supplement, section 268.552, subdivision 2, is amended to read:

Subd. 2. [AMOUNT AND DURATION OF SUBSIDY.] The maximum subsidy is \$4 per hour for wages and \$1 per hour for fringe benefits for eligible applicants described in section 268.551, subdivision 3, clause (4)(i), and \$5 per hour for wages and \$1 per hour for fringe benefits for eligible applicants described in section 268.551, subdivision 3, clause (4)(ii). 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.”

Page 1, line 15, delete “have been” and insert “are”

Page 1, line 16, delete “for five months or longer”

Page 1, line 23, after “children” insert “and are not eligible for a federally subsidized jobs program”

Page 2, line 13, delete "\$6" and insert "\$5" and reinstate the stricken "and \$1 per"

Page 2, line 14, reinstate the stricken language

Page 4, lines 11 and 12, reinstate the stricken language

Page 5, after line 12, insert:

"Sec. 13. Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) 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 tax is the last itemized deduction 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; and

(5) an amount equal to the exemptions allowed under section 151 of the Internal Revenue Code, deducted in computing federal taxable income, multiplied by the applicable disallowance percentage. The disallowance percentage equals one percentage point for each \$500 or part of \$500 of modified adjusted gross income in excess of \$100,000 for an individual

filing a married joint return, \$50,000 for a married person filing a separate return, \$85,170 for a head of household, or \$56,560 for all other filers. Modified adjusted gross income is the sum of the individual's adjusted gross income under section 62 of the Internal Revenue Code and interest received or accrued by the taxpayer that is exempt from federal tax. The amount of the addition under this clause may not exceed the exemption deducted in computing federal taxable income. This clause applies to taxable years beginning after December 31, 1991, and ending before January 1, 1993."

Page 5, after line 17, insert:

"\$7,000,000 is appropriated from the general fund to the commissioner of human services to meet the cost of extending eligibility for the work readiness program under sections 1 to 4.

\$2,000,000 is appropriated from the general fund to the commissioner of jobs and training for the biennium ending June 30, 1993, for the purposes of section 6."

Page 5, line 18, delete "\$" and insert "\$10,000,000"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "Minnesota Statutes 1991 Supplement, sections 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.052, subdivision 4; 268.551, subdivision 3; 268.552, subdivision 2, and by adding a subdivision: 290.01, subdivision 19a:"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2755 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2849, 1980, 2750, 2257, 2647, 1873, 1738, 2211 and 2000 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Larson, Ms. Olson, Messrs. Dahl, Merriam and Ms. Pappas introduced—

Senate Resolution No. 138: A Senate resolution welcoming "home" Garrison Keillor.

Referred to the Committee on Rules and Administration.

Messrs. Laidig; Moe, R.D.; McGowan; Benson, D.D. and Johnson, D.E. introduced—

Senate Resolution No. 139: A Senate resolution congratulating Paula Laidig for being named the School Psychologist of the Year by the National Association of School Psychologists.

Referred to the Committee on Rules and Administration.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

S.F. No. 1590: A bill for an act relating to unemployment compensation; pertaining to treatment of American Indian tribal governments as employers for purposes of unemployment compensation insurance payments; amending Minnesota Statutes 1990, section 268.06, by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	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	Stumpf
Brataas	Halberg	Lessard	Pariseau	Terwilliger
Chmielewski	Hottinger	Luther	Piper	Traub
Cohen	Hughes	Marty	Pogemiller	Vickerman
Dahl	Johnson, D.E.	McGowan	Price	
Davis	Johnson, D.J.	Mehrkens	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 1230: A bill for an act relating to retirement; volunteer firefighters relief associations; increasing service pension maximums; establishing a fire state aid maximum apportionment; providing penalties for noncompliance with service pension maximums; specifying duties for the state auditor; ratifying certain prior nonconforming lump sum service pension payments; continuing certain nonconforming lump sum service pension amounts in force; modifying certain investment performance calculations; modifying certain local volunteer firefighters relief association provisions; amending Minnesota Statutes 1990, sections 11A.04; 356.218, subdivisions 2 and 3; and 424A.02, subdivisions 1, 3, and by adding a subdivision; Laws 1971, chapter 140, section 5, as amended; proposing coding for new law in Minnesota Statutes, chapter 69.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 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	Kelly	Neuville	Samuelson
Benson, J.E.	Finn	Knaak	Novak	Solon
Berg	Flynn	Kroening	Olson	Spear
Berglin	Frank	Laidig	Pappas	Stumpf
Bernhagen	Frederickson, D.J.	Larson	Pariseau	Terwilliger
Bertram	Frederickson, D.R.	Lessard	Piper	Traub
Brataas	Halberg	Luther	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	
Cohen	Hughes	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 522: A bill for an act relating to game and fish; specifying allowed methods for taking fish in certain designated trout streams; proposing coding for new law in Minnesota Statutes, chapter 97C.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Belanger	DeCramer	Johnston	Moe, R. D.	Sams
Benson, D.D.	Dicklich	Kelly	Mondale	Samuelson
Benson, J.E.	Finn	Knaak	Morse	Solon
Berg	Flynn	Kroening	Neuville	Spear
Berglin	Frank	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Olson	Terwilliger
Bertram	Frederickson, D.R.	Larson	Pappas	Traub
Brataas	Halberg	Lessard	Pariseau	Vickerman
Chmielewski	Hottinger	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Price	
Dahl	Johnson, D.E.	McGowan	Ranum	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 2369: A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers and surviving spouses in the city of Thief River Falls.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Riveness
Beckman	DeCramer	Johnston	Moe, R.D.	Sams
Belanger	Dicklich	Kelly	Mondale	Samuelson
Benson, D.D.	Finn	Knaak	Morse	Solon
Benson, J.E.	Flynn	Kroening	Novak	Spear
Berg	Frank	Laidig	Olson	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
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.	Merriam	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 2523: A bill for an act relating to human services: providing for HIV minimum standards: providing for HIV training in chemical dependency treatment programs: expanding exclusion from licensure: providing for integration of residential programs: delegating authority to enforce uniform fire code: setting adult foster care license capacity: regulating case management for persons with mental retardation or related conditions: amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision: 245A.07, subdivisions 2 and 3; 245A.11, subdivisions 2, 3, 4, and by adding subdivisions: 299F.011, subdivision 4a: Minnesota Statutes 1991 Supplement, sections 245A.03, subdivision 2; 245A.04, subdivision 3; 245A.16, subdivision 1; and 256B.092, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 1990, sections 245A.11, subdivision 5; 245A.14, subdivision 5; and 245A.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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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. 1114: A bill for an act relating to state government: providing for gender balance in multimember agencies: amending Minnesota Statutes 1990, section 15.0597, by adding 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 39 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, J.B.	Mondale	Reichgott
Beckman	Finn	Kelly	Morse	Riveness
Berglin	Flynn	Kroening	Novak	Sams
Bertram	Frank	Luther	Pappas	Solon
Cohen	Frederickson, D.J.	Marty	Piper	Spear
Dahl	Hottinger	Merriam	Pogemiller	Traub
Davis	Hughes	Metzen	Price	Vickerman
DeCramer	Johnson, D.J.	Moe, R.D.	Ranum	

Those who voted in the negative were:

Belanger	Chmielewski	Johnston	McGowan	Samuelson
Benson, D.D.	Day	Knaak	Mehrrens	Stumpf
Benson, J.E.	Frederickson, D.R.	Laidig	Neuville	Terwilliger
Berg	Gustafson	Langseth	Olson	
Bernhagen	Halberg	Larson	Pariseau	
Brataas	Johnson, D.E.	Lessard	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1889: A bill for an act relating to employment; modifying provisions related to access to employee personnel records; amending Minnesota Statutes 1990, sections 181.961, subdivision 2; and 181.962, 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 3, 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	Halberg	Lessard	Pappas	Terwilliger
Chmielewski	Hottinger	Luther	Pariseau	Traub
Cohen	Hughes	Marty	Piper	Vickerman
Dahl	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Davis	Johnson, D.J.	Mehrrens	Price	

Mrs. Brataas, Messrs. Gustafson and Stumpf voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1978: A bill for an act relating to health; regulating ionizing radiation; delaying the effective date of certain rules; requiring their review by the commissioner of health.

Was read the third time 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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Terwilliger
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. 2137: A bill for an act relating to nursing homes: defining a residential hospice facility: modifying hospice program conditions: limiting the number of residential hospice facilities: requiring a report: amending Minnesota Statutes 1990, section 144A.48, 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 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	Stumpf
Brataas	Halberg	Lessard	Pariseau	Terwilliger
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. 2137: A bill for an act relating to retirement: the Minnesota state retirement system and the public employees retirement association: making various changes to administration, benefits, and investment practices: amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivision 12; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision; 356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03:

353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; Laws 1991, chapter 269, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; 353.656, subdivision 7; and 353.71, 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.	Metzen	Reichgott
Beckman	Day	Johnson, D.J.	Moe, R.D.	Renneke
Belanger	DeCramer	Johnson, J.B.	Mondale	Riveness
Benson, D.D.	Dicklich	Johnston	Morse	Sams
Benson, J.E.	Finn	Kelly	Neuville	Samuelson
Berg	Flynn	Knaak	Novak	Solon
Berglin	Frank	Kroening	Olson	Spear
Bernhagen	Frederickson, D.J.	Laidig	Pappas	Stumpf
Bertram	Frederickson, D.R.	Larson	Pariseau	Terwilliger
Brataas	Gustafson	Lessard	Piper	Traub
Chmielewski	Halberg	Luther	Pogemiller	Vickerman
Cohen	Hottinger	Marty	Price	Waldorf
Dahl	Hughes	Mehrkens	Ranum	

Mr. Langseth voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1856: A bill for an act relating to real property; abolishing issuance of duplicate certificates of title and duplicate CPTs for use by lessees and mortgagees of registered land; providing for mortgage satisfaction or release by fewer than all mortgagees; regulating various notice, hearing, and other procedures and requirements for foreclosures and other involuntary transfers of real property; providing for new certificates of title or CPT to be issued for registered land adjoining a vacated street or alley; providing that purchase money mortgages are subject to rights or interest of nonmortgaging spouse; providing that marital property interest of non-titled spouse is not subject to levy, judgments, or tax liens; clarifying provisions relating to notice of termination of contract for deed; changing certain dates relating to validation of mortgage foreclosures; amending Minnesota Statutes 1990, sections 507.03; 508.44, subdivision 2; 508.45; 508.55; 508.56; 508.57; 508.58; 508.59; 508.67; 508.71, subdivision 6; 508.73; 508.835; 508A.11, subdivision 3; 508A.44, subdivision 2; 508A.45; 508A.55; 508A.56; 508A.57; 508A.58; 508A.59; 508A.71, subdivision 6; 508A.73; 508A.835; 508A.85, subdivision 3; 514.08, subdivision 2; 518.54, subdivision 5; 559.21, subdivisions 2a and 3; 580.15; 582.01, by adding a subdivision; and 582.27; Minnesota Statutes 1991 Supplement, sections 508.82; and 508A.82; proposing coding for new law in Minnesota Statutes, chapters 507; and 580.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	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	Spear
Bertram	Frederickson, D.R.	Larson	Olson	Stumpf
Brataas	Gustafson	Lessard	Pappas	Terwilliger
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.

S.F. No. 2510: A bill for an act relating to transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; amending Minnesota Statutes 1990, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.399, subdivision 1; 473.3994, subdivisions 2, 3, 4, 5, 6, 7, and by adding subdivisions; 473.3996; 473.4051; Minnesota Statutes 1991 Supplement, sections 473.3997; and 473.3998; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1990, sections 473.399, subdivisions 2 and 3; 473.3991; and Laws 1991, chapter 291, article 4, section 20.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, 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	Novak	Solon
Bernhagen	Frederickson, D.R.	Langseth	Olson	Spear
Bertram	Gustafson	Larson	Pappas	Stumpf
Brataas	Halberg	Lessard	Pariseau	Terwilliger
Cohen	Hottinger	Luther	Piper	Traub
Dahl	Hughes	Marty	Pogemiller	Vickerman
Davis	Johnson, D.E.	McGowan	Price	

Messrs. Chmielewski and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 651: A bill for an act relating to insurance; regulating utilization review services; providing standards and procedures; regulating appeals of determinations not to certify; regulating prior authorization of services; prescribing staff and program qualifications; proposing coding for new law as Minnesota Statutes, chapter 62M.

Was read the third time 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	Stumpf
Berglin	Frederickson, D.J.	Langseth	Pappas	Terwilliger
Bernhagen	Frederickson, D.R.	Larson	Pariseau	Traub
Bertram	Gustafson	Lessard	Piper	Vickerman
Brataas	Halberg	Luther	Pogemiller	Waldorf
Chmielewski	Hottinger	Marty	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.

S.F. No. 1993: A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision: 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, D.E.	Metzen	Reichgott
Beckman	DeCramer	Johnson, D.J.	Moe, R.D.	Riveness
Belanger	Dicklich	Johnson, J.B.	Mondale	Solon
Benson, D.D.	Finn	Johnston	Morse	Spear
Berg	Flynn	Knaak	Novak	Stumpf
Berglin	Frank	Kroening	Olson	Terwilliger
Bernhagen	Frederickson, D.J.	Laidig	Pappas	Traub
Bertram	Frederickson, D.R.	Langseth	Pariseau	Vickerman
Brataas	Gustafson	Lessard	Piper	Waldorf
Cohen	Halberg	Luther	Pogemiller	
Dahl	Hottinger	Marty	Price	
Davis	Hughes	Merriam	Ranum	

Those who voted in the negative were:

Benson, J.E.	Larson	Neuville	Sams	Samuelson
Chmielewski	Mehrkens	Renneke		

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 2196, 2017, 2599 and H.F. Nos. 2063, 2438, which the committee recommends to pass.

H.F. No. 2608, which the committee recommends to pass with the following amendment offered by Mr. Solon:

Page 1, delete lines 15 to 18

The motion prevailed. So the amendment was adopted.

S.F. No. 2236, which the committee recommends to pass, with the following amendments offered by Messrs. Riveness and McGowan:

Mr. Riveness moved to amend S.F. No. 2236 as follows:

Page 1, line 16, after the semicolon, insert "or"

Page 1, line 18, delete "; or" and insert a period

Page 1, delete line 19

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend S.F. No. 2236 as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1990, section 3.055, subdivision 1, is amended to read:

Subdivision 1. [MEETINGS TO BE OPEN.] Meetings of the legislature shall be open to the public, including sessions of the senate, sessions of the house of representatives, joint sessions of the senate and the house of representatives, and meetings of a standing committee, committee division, subcommittee, conference committee, or legislative commission, but not including a caucus of the members of any of those bodies from the same house and political party nor a delegation of legislators representing a geographic area or political subdivision. For purposes of this section, a meeting occurs when a quorum is present and *either (1) discussion occurs among the members or (2) action is taken regarding a matter within the jurisdiction of the body.*"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2194, which the committee recommends to pass with the following amendments offered by Messrs. Knaak, Renneke and Luther:

Mr. Knaak moved to amend S.F. No. 2194 as follows:

Page 3, line 4, after the period, insert "*This subdivision does not apply to financial assistance sought from the iron range resources and rehabilitation board or from a political subdivision of the state, including home rule charter and statutory cities, towns, counties, and all agencies, commissions, and councils established under chapter 473, as well as any authority or agency of such a political subdivision.*"

The motion prevailed. So the amendment was adopted.

Mr. Renneke moved to amend S.F. No. 2194 as follows:

Page 8, after line 7, insert:

“Sec. 15. [AIRLINE TRAVEL CREDIT.]

Whenever public funds are used to pay for airline travel, any credits or other benefits issued by any airline must accrue to the benefit of the public body providing the funding. This policy applies to airline travel both within and without the state of Minnesota and wherever tickets are purchased. In the event the issuing airline will not honor a transfer or assignment of any credit or benefit, the individual passenger shall report receipt of the credit or benefit to the public body issuing the initial payment within 90 days of receipt. The credit or other benefit becomes the property of the issuing public body upon submission of the report, and it may not be converted to personal use.”

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The question was taken on the adoption of the Renneke amendment.

The roll was called, and there were yeas 48 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnston	Merriam	Price
Beckman	Day	Kelly	Metzen	Ranum
Benson, D.D.	Dicklich	Knaak	Mondale	Reichgott
Benson, J.E.	Finn	Langseth	Morse	Renneke
Berg	Frederickson, D.R.	Larson	Neuville	Riveness
Bernhagen	Gustafson	Lessard	Olson	Stumpf
Bertram	Hottinger	Luther	Pappas	Terwilliger
Brataas	Johnson, D.E.	Marty	Pariseau	Traub
Chmielewski	Johnson, D.J.	McGowan	Piper	
Cohen	Johnson, J.B.	Mehrkens	Pogemiller	

Those who voted in the negative were:

Belanger	Flynn	Hughes	Solon	Waldorf
Berglin	Frank	Kroening	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 2194 as follows:

Page 5, after line 7, insert:

“Sec. 10. Minnesota Statutes 1990, section 471.68, is amended by adding a subdivision to read:

Subd. 3. [PICTURES PROHIBITED.] When a county or home rule charter or statutory city issues a report or other publication for public distribution to inform the general public of the activities of the county or city, the report or publication must not include pictures of elected officials nor any other pictorial or graphic device that would tend to attribute the publication to an individual or groups of individuals instead of the county or city. Directories of public services provided by the county or city are exempt from this subdivision.”

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. 2194 as follows:

Page 8, line 5, after "shall" insert ", except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation."

The motion prevailed. So the amendment was adopted.

S.F. No. 2556, which the committee recommends to pass with the following amendment offered by Ms. Olson:

Page 2, line 10, after the period, insert "The school board is not required to pay for the costs of alternative instruction provided by a parent, guardian, or adult student."

The motion prevailed. So the amendment was adopted.

Ms. Pappas moved to amend S.F. No. 2556 as follows:

Page 2, line 4, delete everything after the first "student" and insert a period

Page 2, delete lines 5 to 14

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 41, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Luther	Morse	Price
Brataas	Johnson, J.B.	Marty	Pappas	Spear
Cohen	Kelly	Mondale	Piper	Traub
Finn				

Those who voted in the negative were:

Adkins	Dahl	Hughes	McGowan	Solon
Beckman	Davis	Johnson, D.E.	Mehrkens	Stumpf
Belanger	DeCramer	Johnston	Merriam	Terwilliger
Benson, D.D.	Dicklich	Knaak	Metzen	Vickerman
Benson, J.E.	Frank	Kroening	Neuville	Waldorf
Berg	Frederickson, D.J.	Laidig	Olson	
Bernhagen	Frederickson, D.R.	Langseth	Renneke	
Bertram	Gustafson	Larson	Sams	
Chmielewski	Hottinger	Lessard	Samuelson	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 304, which the committee recommends to pass, after the following motion:

Mr. Bertram moved to amend S.F. No. 304 as follows:

Page 2, line 18, delete "seven" and insert "three"

Page 2, line 20, delete "30-day" and insert "seven-day"

Page 2, line 22, delete "one-year" and insert "three-month"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 9 and nays 39, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Brataas	Finn	Gustafson	Neuville
Bertram	Chmielewski	Frederickson, D.J.	Johnson, D.E.	

Those who voted in the negative were:

Adkins	Dicklich	Laidig	Moe, R. D.	Solon
Beckman	Flynn	Langseth	Mondale	Spear
Belanger	Frederickson, D.R.	Larson	Morse	Stumpf
Benson, D.D.	Hottinger	Luther	Novak	Terwilliger
Berglin	Hughes	Marty	Piper	Traub
Bernhagen	Johnson, J.B.	McGowan	Price	Vickerman
Cohen	Knaak	Merriam	Ranum	Waldorf
Dahl	Kroening	Metzen	Riveness	

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 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. 2326: A bill for an act relating to education: providing for general education revenue, transportation, special programs, community services, facilities and equipment, education organization and cooperation, other aids and levies, other education programs, miscellaneous education matters, libraries, state education agencies; imposing a tax; modifying certain income tax provisions; modifying appropriations; appropriating money; amending Minnesota Statutes 1990, sections 120.17, subdivisions 2, 3a, and 16; 121.11, subdivision 7; 121.88, by adding a subdivision; 121.935, by adding subdivisions; 122.23, subdivisions 12, 13, and 13a; 122.241, subdivision 3; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, 2c, and by adding subdivisions; 122.532, subdivision 2; 123.33, subdivision 7; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding subdivisions; 123.39, subdivision 8d; 123.58, subdivision 3, and by adding a subdivision; 123.78, by adding a subdivision; 124.155, subdivision 1; 124.17, by adding a subdivision; 124.19, subdivision 5; 124.243, subdivisions 2 and 6; 124.244, subdivision 1; 124.2725, subdivision 2; 124.6472, by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2; 124A.29, as amended; 124C.61; 125.05, subdivision 2; 125.18, subdivision 1; 126.22, by adding a subdivision; 128A.09, subdivision 2, and by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.65, subdivision 1; 136D.22, subdivision 1; 136D.27, subdivision 2; 136D.74, subdivision 2a; 136D.82, subdivision 1; 136D.87, subdivision 2; 205A.10, subdivision 2; 270.101, subdivision 1; 275.125, subdivision 14a, and by adding subdivisions; 289A.02, subdivision 5; 289A.18, by adding a subdivision; 289A.19, by adding a subdivision; 289A.20, by adding a subdivision; 289A.56, subdivision 3; Minnesota Statutes 1991 Supplement, sections 13.40, subdivision 2; 120.062, subdivision 8a; 120.17, subdivisions 3b and 7a; 120.181; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.915; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 124.155, subdivision 2; 124.19, subdivision 1; 124.195, subdivisions 2 and 3a; 124.214, subdivisions 2 and 3; 124.2601, subdivision

6: 124.2605; 124.2615, subdivision 2; 124.2721, subdivision 5a; 124.2727, subdivision 6; 124.646, subdivision 4; 124.6472, subdivision 1; 124.84, subdivision 3; 124.95, subdivisions 1 and 2; 124A.03, subdivisions 1h, 2, and 2a; 124A.23, subdivision 4; 124A.24; 125.185, subdivision 4a; 125.62, subdivision 6; 126.23; 126.70, subdivision 2a; 128B.10, subdivision 2; 136D.72, subdivision 1; 275.065, subdivisions 1 and 6; 275.125, subdivisions 6j and 11g; 289A.01; 298.28, subdivision 4; 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapters 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18 and 23; 7, sections 37, subdivision 6; and 41, subdivision 4; 8, sections 14 and 19, subdivision 6; 9, sections 75 and 76; 11, section 23, subdivision 1; and 356, article 9, section 12; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 124A; 124C; 126; 135A; 136C; 289A; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 124A.02, subdivision 24; 124A.23, subdivisions 2, 2a, and 3; 126.071, subdivisions 2, 3, and 4; 128A.022, subdivisions 5 and 7; 128A.024, subdivision 1; 134.34, subdivision 2; Minnesota Statutes 1991 Supplement, sections 121.935, subdivision 7; 123.35, subdivision 19; 124.2721, subdivision 5b; 124.2727, subdivisions 1, 2, 3, 4, 5, and 6; 124.646, subdivision 2; 124A.02, subdivisions 16 and 23; 124A.03, subdivision 2; 124A.23, subdivisions 1, 4, and 5; 126.071, subdivision 1; 126.70; Laws 1990, chapter 604, article 8, section 12; and Laws 1991, chapter 265, articles 2, section 18; 3, section 36; 5, section 17; 6, sections 60 and 64; and 7, section 35.

Reports the same back with the recommendation that the bill be amended as follows:

Page 110, line 4, after the semicolon, insert "and"

Page 110, delete lines 5 to 8

Renumber the clauses in sequence

Amend the title as follows:

Page 1, line 8, delete everything after the first semicolon

Page 2, line 26, after the first semicolon, insert "124A.26, subdivisions 2 and 3; 124A.27; 124A.28; 124A.29, subdivision 2;"

Page 2, line 30, delete everything after the second semicolon

Page 2, line 31, delete "1, 2, 3, 4, 5, and 6;"

Page 2, line 32, delete "subdivision 2;" and insert "subdivisions 1b, 1c, 1d, 1e, 1f, 1g, 1h, and 1i; 124A.04; 124A.22, subdivisions 2, 3, 4, 4a, 4b, 8, and 9;"

Page 2, line 33, after the semicolon, insert "124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1;"

And when so amended the bill do pass, Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. No. 2326 was read the second time.

MEMBERS EXCUSED

Mr. Day was excused from the Session of today at 3:00 p.m. Messrs. Kelly and Lessard were excused from the Session of today at 4:15 p.m. Mses. Johnston and Olson were excused from the Session of today at 4:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Friday, April 3, 1992. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate